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HK250817 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1013 GMT 24 Sep 86

[Text] Beijing, 24 Sep (ZHONGGUO XINWEN SHE) -- Chinese Vice Premier Tian Jiyun will visit Singapore, Malaysia, the Philippines, and Thailand between 11 and 28 October at the invitation of those countries.

Li Zhaoxing, spokesman for China's Foreign Ministry, announced this at this afternoon's news briefing.

He said that since Prime Minister Lee Kwan Yew visited China in September 1985, Chinese and Singapore officials have more frequently exchanged visits, and the two countries' friendly relations and cooperation have further advanced. Sino-Malaysian relations have also made new progress since Prime Minister Mahathir visited China last November. Since the new government of the Philippines came to power last February, Sino-Philippine friendly relations have continued to develop. During Vice President Laurel's visit to China last June, the two countries extensively exchanged opinions on bilateral relations and international affairs in which both sides had interest. In recent years, China and Thailand have also sent many important governmental and non-governmental delegations to visit each other.

CHOUDHURY WELCOMES PRC'S UN CONTRIBUTION

OW260444 Beijing XINHUA in English 0204 GMT 26 Sep 86

[Text] United Nations, Sept. 25 (XINHUA) -- The president of the 41st Session of the U.N. General Assembly, Humayun Rasheed Choudhury, expressed "his great appreciation" of China's efforts in alleviating U.N. financial difficulties.

The Chinese Government paid last week to the United Nations its withholdings accumulated in the past years in the amount of 4,392,856 U.S. dollars. These contributions were withheld because of the objection by the Chinese Government for the programs the funds were intended for.

In making the payment at this time, according to Ambassador Li Luye, China's permanent representative to the U.N., the Chinese Government intended "solely to help alleviate the financial crisis" of the U.N. and it should not be taken to mean any change in the Chinese Government's "consistent principled position on the issues related to these withholdings."

The assembly president greatly appreciated "the action taken by a permanent member of the Security Council in placing the interests of preserving the United Nations above all other issues, however deeply felt," his spokesman, Keith Beavan, said at the noon briefing today.

The president hoped that Chinese action might be emulated by others who have withheld assessed contributions for similar reasons, and that serious considerations be given by those countries to the overriding immediacy of placing the U.N. on a sound fiscal basis and preserving the integrity of the charter.

According to statistics provided by the U.N., the total amount of withheld contributions up to August 31 this year by the member states for various reasons reached 408 million. [currency not specified]

JINGJI YANJIU ON REAGAN ECONOMIC STRATEGY

HK240801 Beijing JINGJI YANJIU in Chinese No 8, 20 Aug 86 pp 25-35

[Article by Huang Fan Zhang [7806 5400 4545]: "An Analysis of the New International Economic Strategy of the Reagan Administration" -- written in Washington in June 1986]

[Text] Since its establishment, the second Reagan adminstration has initiated a series of international actions and proposals on major international issues. The notably active sance of its foreign economic strategy appears to be somewhat different from that of the first Reagan adminstration. This is a trend worthy of attention and study in the current international economic area, and it will, beyond doubt, have a great impact on the international economic pattern for some time to come. This paper will attempt a preliminary analysis of the background, major manifestations, and essence of this new trend and offer some views on the effects produced and how we can deal with the situation.

I

The first Reagan adminstration put the emphasis of its economic policies on the domestic economy. Reagan ran for the presidence in 1980 and formed his cabinet in 1981. At that time, America was entering a very grave "recession" after 15 years of "stagflation." In 1980, the inflation rate was as high as 12.6 percent. Unemployment rose from 7.8 percent in 1980 to 10.8 percent at the end of 1982, the highest in 40 years. The productivity growth rate dropped to below 1 percent in the early 1980's after a prolonged decline and lagged far behind Japan, the FRG, and other major economic partners. Thus, it was only natural that the first Reagan administration concentrated its attention on pressing domestic economic problems like high inflation and unemployment.

The economic strategy of the first Reagan administration has the supply-side theory as an important theoretical basis. The supply school attributed the cause of "stagflation" in the 1970s chiefly to the pursuance of the Keynesian theory and policy since the war. It accused the Keynesians of artificially increasing total demand in their quest for "full employment" by abusing financial and monetary means, which not only undermined the motivation for saving and capital, led to a decline in productivity growth, and weakened the competitiveness of the economy, but resulted in "stagnation" and "inflation" because of overstimulated demand and exacerbated inflation. For this reason, Reagan and his principal aides clamored for an about-face in the economic line, policy, and theory during their campaigning as well as after taking office. They said the weight of economic policy must be shifted from "demand" to "supply" and vigorously pursued the so-called "economic recovery program." For the purpose of encouraging saving and investment, they rigorously introduced tax cuts at the risk of increasing deficits. They put curbing inflation before "full employment" and persevered in enforcing a tightened monetary policy at the risk of exacerbating economic recession and unemployment. They also accorded priority to domestic economic issues, believing that trade deficits should chiefly be resolved by enhancing one's competitiveness, that the devaluation of the dollar was chiefly due to the exacerbation of inflation at home, and that the betterment of its position in external economic dealings chiefly depended on the improvement of its domestic economic situation. Thus, the first Reagan administration mainly concerned itself with the abatement of domestic economic problems and took a "defensive" stance in its external economic dealings. The fact was that America, plagued by high inflation and unemployment, was then not in a position to launch major or influential economic moves in the international arena.

The establishment of the second Reagan administration (1985) coincided with the respective recovery of the U.S. and West European economies. U.S. investment soared as inflation and unemployment steadily declined. Inflation dropped from 4.3 percent in 1984 to 3.6 percent in 1985, while unemployment fell from 7.4 percent in 1984 to 7.1 percent in 1985. Although budget deficits are as high as $200 billion, high real interest rates are still drawing an inflow of between $80 billion and 100 billion annually from other countries. The prolonged devaluation of the dollar has given way to appreciation year after year. By and large, the domestic economic situation of the United States has eased off quite a bit. In the meantime, however, the United States is confronted with pressing problems in its external economic relations. The problem of international debt not only jeopardized the interests of U.S. monetary capital but threatened the political stability of its "backyard" (Latin America). The fact that the dollar is 'grossly overvalued' has seriously weakened U.S. exports, and the prevalence of protectionism has exacerbated the conflicts between America and its major partners. Under the circumstances, there is an urgent need for America to strengthen its economic control over the Third World (particularly Latin America). It is also imperative that it readjust its economic relations with its major partners and, in so doing, reinstate its lead in the Western economy which has been weakened since the crumbling of the Bretton System. To realize these strategic objectives, the Reagan administration has turned much of its attention to external economic dealings and eagerly initiated a series of international moves. In September 1985, U.S. Treasury Secretary James Baker engineered the Group of Five into signing the "New York Accord" and working together to intervene in the dollar exchange rate. In October of the same year Baker proposed a "new strategy" to resolve the problem of international debt. In April 1986, America again persuaded Western countries with major currencies to unanimously reduce their interest rates. At the end of May Reagan and Baker convinced the seven Western nations to agree on plans to "coordinate" their macroeconomic policies at the Tokyo Summit. The program was very solidly packed indeed. Without so much as mincing words, Baker said at a meeting of the American Bankers' Association on 3 June: "The course initiated by the New York Accord illustrates one fact: the days when America can relegate considerations of foreign economic relations to a secondary position when formulating domestic policies are gone." [THE WASHINGTON POST, 4 June 1986] so full of enthusiasm was he about the launching of this new economic strategy.

Now let us look at the major manifestations, content, and essence of the U.S. external economic strategy from two aspects, namely, international debt and the international monetary system.

II

According to the latest statistics of the World Bank, foreign debts of developing countries totaled $950 billion at the end of 1985 and is estimated to increase to 1,010 billion by the end of 1986 (See WORLD BANK DEBT BULLETIN 1986, p 11). These colossal foreign debts share the following features: (1) Private debts owed to private banks of developed countries account for 60 percent while public debts owed to creditor nations or multilateral institutions account for 40 percent. Whereas in the early 1970s private debts only accounted for between 10 to 15 percent. (2) In terms of geographical distribution, Latin America has outstanding debts amounting to $368 billion, which, together with the debts of Africa (approximately $130 billion), account for 56 percent of the total amount of foreign debts. The major debtors are Latin America: Brazil has borrowings of over $100 billion, Mexico more than $98 billion, and Argentina some $50 billion. (3) Two-thirds of Latin American loans are from private banks, while most of the debts owed by African countries are government debts. The debt crisis which erupted in the early 1980s mainly took place in these two regions. [paragraph continues]

That is why Baker targeted his "debt strategy" at Latin America and Africa.

Why was it that an international debt crisis erupted in the early 1980's? What effect did it have on America to cause Baker to map out a "strategy" as a countermove and to campaign for it?

The cause of the debt crisis may be viewed from two aspects, internal and external. First, seen from the debtor nations themselves, an important reason was mismanagement of foreign debts. The manifestations were: (1) Foreign debts grew too fast in the 1970s. Statistics showed that in the decade between 1973 and 1982, foreign debts of developing countries grew at an average annual rate of 20.5 percent, greatly exceeding the growth rates of their gross domestic product and exports (see IMF: WORLD ECONOMIC PROSPECTS 1986, p 87). (2) The governments of the debtor countries did not have the necessary statistics on and control over foreign debts. Things got out of hand when they encountered difficulties in making payments. (3) The debt structure was imbalanced. Among the debts of the 15 countries with huge borrowings, short-term debts accounted for as much as 25.3 percent between 1981 and 1982 and debts at variable interest rates accounted for 70.8 percent (Ibid, p 88). Rising interest rates in the late 1970s and early 1980s greatly added to the interest burdens of the debtor countries. For example, in Brazil and Chile, the payment of principal and interest in 1981 amounted to 50 percent of their export earnings in that particular year; in Mexico and Argentina the payment of principal and interest also amounted to 35 percent of their export earnings in that year in Mexico and Argentina the payment of principal and interest also amounted to 35 percent of their export earnings in that year (see Mendelsohn [1322 1795 1422 2773]: "Debts of Foreign Nations" 1984, p. 31). The international acknowledged "safety" standard is 15 percent. Second, seen from external conditions, the development of the world economic crisis, the deterioration of trading conditions, and the soaring interest rates in the international monetary markets played an even more important role in igniting the debt crisis.

The debt crisis first erupted in Mexico in August 1982. The Mexican Government announced that because of dire financial difficulties, it had to temporarily halt the payment of principal and interest due for the 19.5 billion borrowed from 1,400 commercial banks. Subsequently, a number of other countries also announced their payment crises. By spring 1983, as many as 15 countries (mainly Latin American countries) were negotiating with commercial banks on the deferment of payments of principal and interest on loans totaling $90 billion. This amount accounted for 43 percent of the $210 billion they still owed the commercial banks (see Delamaide: "Debt Shock," 1984, pp 7-8). The developments of the international debt crisis produced panic among the international financiers. The American bankers and the U.S. Government were particularly worried and concerned. The reason for this was that the debt crisis not only could aggravate political unrest in America's "backyard" but could directly threaten America's own economic interests. First, American commercial banks were the major creditors of the Latin American debtor countries. According to THE ECONOMIST, loans extended by the 10 major U.S. commercial banks, including Chase Manhattan, Citicorp, and Bank of America, to Brazil, Mexico, and Venezuela alone amounted to $37.5 billion, equivalent to 132 percent of the total equity of thest ten banks (THE ECONOMIST, 30 April 1983, pp. 12-13). As sharply pointed out by the author of "Debt Shock": "What is really horrifying is that should Chase Manhattan or Citicorp be dragged down by their debtors, many banks and companies will also crumble as a result of its impact" (see "Debt Shock," p 194). The U.S. magazine SOUTH noted: "A number of leading American banks have lent sums amounting to between 100 and 200 percent of their equity to a few Latin American countries. Should they come up against major arrears in payment in the Third World, it could lead to a classic wave of bank closures." (SOUTH, August 1984, p. 13). Second, as a result of the debt crisis or difficulty, these Latin American countries were forced to cut imports from America. [paragraph continues]

This dealt a serious blow to America and aggravated unemployment in America because this region was a major outlet of American goods. Reports had it that the Latin American debts crisis in 1982 had thrown an additional 160,000 people out of jobs (see "Debt Crisis Injures U.S. Economy," THE WASHINGTON POST, 20 March 1986). No wonder the American press quoted these words of a U.S. Commerce Department official when they brought up the question of "whose crisis is the debt crisis?" "Their debt crisis is really our trade crisis." (Ibid)

It was precisely because America's political and economic interests were so much a stake in the Third World debt crisis that as soon as a payment crisis was reported in Mexico the U.S. Government immediately backed the IMF and the international financiers in their countermeasures. Aside from offering contingency loans (for example, America advanced $1 billion to Mexico for the purchase of petroleum), arrangements were also made to reschedule debt payments through bilateral or multilateral negotiations. On the other hand, pressure was brought to bear on the debtor countries to implement the conventional economic readjustment policy of the "Fund" organizations (i.e., organizations of the IMF, same below): To reduce demand (by cutting consumption, investment and imports) and slow down expanison as a precondition for securing new loans. These arrangements helped to ease the debt crisis somewhat. During the 1983-85 period, a total of 31 debtor countries had reached agreements with commercial banks on the rescheduling of debts in the amount of $140 billion. (IMF: WORLD ECONOMIC PROSPECTS 1984, p 92). In particular, some heavily indebted Latin American countries achieved huge trade surpluses during 1983 and 1984 as a result of expanding exports and reducing imports as the United States and Western Europe successively recovered economically and increased their imports. The debt situation was thus further eased. However, as growth slowed down in major industrial countries like the United States and protectionism became prevalent during 1984 and 1985, particularly following the fall in the price of primary goods, exports declined in the developing countries and the problem of debt payments was again exacerbated.

The complicated course of developments of the debt situation from crisis to relaxation to reintensification has brought about a number of new developments in the debt problem and in people's understanding of this problem. 1) In the 15 countries burdened by heavy debts, although the pinch of payment had somewhat eased and the debt structure had improved after years of efforts (with the ratio between short-term loans and export earnings dropping from 68 percent in 1982 to 38 percent in 1985). The ratio of the total debts to export earnings showed an increase from 263 percent in 1982 to 286 percent in 1985. (IMF: WORLD ECONOMIC PROSPECTS p 92) The debt situation is still tough, 2) As a result of the policy of retrenchment, many debtor countries saw a decline in their gross domestic product, investment and consumption level. Statistics show that during the 1980-84 period the gross domestic product of the 17 debt ridden countries (11 in Latin America, 4 in Africa, 1 in Asia, and 1 in Eastern Europe) had a -0.3 percent average annual growth in their gross domestic product, a -9.7 percent annual growth in their investment, and a -1.8 percent annual growth in per capita consumption. (WORLD BANK DEBT BULLETIN p 25) 3) This conventional policy, which places lopsided emphasis on economic "retrenchment," meets with strong opposition from the governments and peoples of debtor countries (particulary in Latin America). The leaders of Peru, Brazil Argentina and other countries have correctly pointed at different times that the fundamental solution to the debt problem lies in promoting economic growth to increase one's repayment ability. The Peruvian president indignantly said: "We cannot let our people pay on any empty stomach." In July 1985 he declared that Peru could at be spare 10 percent of its annual export earnings on the payment of principal and interest. For a while conflicts sharpened between the debtor and creditor countries and between "fund" organizations. Through struggle and compromise, a near consensus was reached: The fundamental solution of the debt problem cannot be guaranteed without the debtor countries achieving their economic growth, and economic readjustment should be made with a view to promoting economic growth. [paragraph continues]

Mr De Larosiere, president of the fund, emphasized this in his report to the IMF Annual Conference held in Seoul in 1985. This reflects a better understanding of the debt problem by the international community. 4) In recent years, the parties concerned with the debt problem have also achieved a more unanimous understanding on the following points: The debt crisis was caused not just by the implementation of improper policies and mismanagement on the part of the debtor countries, but also by the adverse international economic environment (deteriorating trade conditions, protectionism, rise in real interest rates, price fluctuations in the international market, and so on). The solution of the debt problem depends not on the unilateral efforts of the debtor countries, but also on the cooperation of the international financiers, creditor countries and international monetary organizations to create a favorable international economic environment. In fact, since the outbreak of the debt crisis, the credibility of the debtor countries has dwindled and loans offered by the creditor countries and international banks have seen major cutbacks in recent years, coming to a near break in 1985. As a result, some developing countries have nowhere to turn for financing. This is because the economic and political interests of America and other creditor countries and world banking will stand to lose so much in a new debt crisis. This makes it that much more imperative for the parties concerned to work together to mitigate the debt problem. The so-called "Baker debt strategy" (or "Baker Plan" has already gone through a course of development since its inception. As seen at this stage, it is made up of at least two parts: 1) The so-called "support growth program" catered to the 15 debt-ridden middle income countries (mainly Latin American countries). Its main function is threefold: These countries will be assisted in adopting extensive macroeconomic economic policies and structural readjustment policies to promote their economic growth and balance of payments; the IMF, World Bank and other international financial institutions will offer funding in support of their implementation of effective restructuring programs, and the World Bank and other international bodies will offer an addition $9 billion in loans on top of the planned amount ($11 billion) in the next three years; and private banks will be mobilized to increase their loans by $20 billion in the next three years. In the course of discussion, every party saw the need for the governments concerned to play an active part. This is in fact a "program" which is chiefly funded by commercial banks, with international bodies and the governments concerned providing unofficial intenational "assurance," and is designed to mitigate the debt problem. The U.S. Government, however, has not taken a single cent out of its coffers. Baker only verbally pledged that if the "plan" has the support from various parties concerned, the U.S. government will then be able to ask Congress for funding. 2) The so-called "restructuring fund" program is intended for the major low-income debtor countries (mainly African countries). Its central idea is to set up the "program" with the $2.7 billion recouped by special drawing rights from the original "credit fund," but this can be used together with corresponding amounts of preferential loans (TDA) from the World Bank. The borrowing terms are the same as that of the original credit fund. The borrowing country must carry out "restructuring" under the joint supervision of the "fund" and the World Bank to promote their own economic growth. Through these two "programs," the U.S. Government hopes to see the mitigation of the debt problem first in Latin America and Africa and then in the whole world.

The "Baker Plan" has the following characteristics: 1) It emphasizes the need for the debtor countries to take the promotion of economic growth as the primary objective of their economic readjustment programs. 2) It emphasizes the need for the debtor countries, creditor countries, international financial institutions, and private institutions to work together to tackle the debt problem. [paragraph continues]

The above two points reflect a better understanding of the debt problem by the international community in recent years; it is also the result of a prolonged struggle by the developing countries. 3) It emphasizes the need for the debtor countries to take "restructuring" as the intermediate and long-term objective of their readjustment programs, and highlights the need for this "restructuring" to cater to the "market economy" and to pursue a policy of "liberalization" in internal as well as external economic dealings. 4) The loan terms tend to be stricter than before and the "favorable" nature of loans originally granted on favorable terms gradually loses its flavor.

The above characteristics show the complicated nature of the "Baker Plan." On the one hand, to ensure proper repayment ability on the part of the debtor countries, the "Baker Plan" cannot but reflect to some extent the demands of these countries for economic growth and for the provision of some sort of financing. In this sense, the debtor countries may make use of this "plan." On the other hand, this "plan" is essentially a means by which international financial capital headed by the United States strengthens control over the Third World, and thus clashes with the debtor countries are likely to occur on some fundamental points. For example, while the "plan" appears to be one view with the developing countries in emphasizing "economic growth," inherent differences of a fundamental nature are still present: 1) Economic development in the developing countries calls for the restructuring of their unitary economic system, whereas under the "Baker Plan" economic development is backed by a "structural readjustment" which has the market economy as its blueprint and privatizes all public enterprises. 2) The debtor countries want the United States and other industrial nations to open their market so they can expand their exports to these countries and hence increase their repayment ability, but what the "plan" primarily wants is for the debtor countries to liberalize their trade in the course of "structural readjustment" and open their markets to the dumping of goods by the United States and other industrial countries. Thus, although the "plan" may be turned to good accounts by the developing countries under given conditions, the entire process is bound to be replete with conflicts and struggles between efforts to control and efforts to fight control.

To what extent, then, can the "Baker Plan" "solve" the debt problems of Latin America and Africa? 1) After Baker proposed his "plan" for easing the Latin American debt problem, the governments and banks in the Western world expressed enthusiastic support. When it came to raising the $20 billion for the loan program, however, the commercial banks took a wait-and-see attitude. The key of the issue is money. Without the active participation of commercial banks, Baker's "plan" in regard to Latin American debts is bound to fall through. This possibility does exist. On the other hand, even if the commercial banks managed to raise the $20 billion as pledged and the World Bank and other bodies were able to add $9 billion to the $11 billion already planned for, the total usable funds made possible by this "plan" will amount to no more than $40 billion over three years, or about $13 billion a year, which is only about one-third the total ($45 billion) paid by the 15 major debtor countries to the commercial banks in interest payment. ("Baker's Plan Won't Work," FORTUNE, 23 December 1985) The remaining two-thirds of their interest payment come from their export earnings. As noted by FORTUNE, the so-called "Baker Plan" is at best a means by which the 15 debt-ridden countries "raise new loans to pay interest on previous loans and will get them more tangled up in debts with the creditor countries." (Ibid) 2. As to the "restructuring fund" program which is mainly intended for Africa, even if all the necessary funds could be raised, all that the low-income countries could expect to receive in their new loans will be special drawing rights for between $1.5 billion and $2 billion. This amount, too, is only equivalent to interest payments on previous loans. In short, as far as the debtor countries are concerned, the actual significance of the "Baker Plan" is that it helps them with their interest payments, but this has to be done at the cost of taking on extra debt burdens and stricter loan terms. [paragraph continues]

To the American financial capitalists, the importance of the "Baker Plan" is that it injects vitality into financial capital in these areas. The life of capital lies in movement. As long as interest payments are sustained, the life of financial capital goes on. It will then be able to strengthen control and influence over the politics and economy of these areas. This is why the "Baker Plan" has the full support of the Reagan administration. As to how far the "structural readjustment" program, which comes hand in hand with the "Baker Plan," can succeed in promoting the healthy economic development of those debtor countries, we are not prepared to discuss it as yet because it takes a fairly long time to observe the results.

III

Intervention in the exchange rate and advocation to reform the existing monetary system constitute the second international move proposed by the second Reagan administration in the international economic arena.

Since the collapse of the "double-pegged" fixed exchange rate system endorsed by the Bretton Conference in 1973, the floating exchange rate system has been favored by major currency countries headed by the United States. Although the floating exchange rate system has subsequently brought about many violent fluctuations in the international financial market, the U.S. Government has always stood firm on this system, because under this system they can make use of inflation and the devaluation of the dollar to improve their own trade position and reduce debt burden. During its first term of office, the Reagan administration, naturally, scrupulously abided by the free flotation of exchange rates because of its severe conservative inclinations. Why, then, does the second Reagan administration appoint Baker to study reform of the existing international monetary system and repeatedly urge major currency countries to work together to "intervene" in exchange and discount rates? An important reason is that since 1981, the value of the dollar has gone up by as much as 40 percent in 4 years after being undervalued for a long time. The prolonged appreciation and overvaluation of the dollar has brought political and economic advantages to America, but has seriously weakened the competitiveness of American goods and hit American exports. As a result of this, its international payments current account reverted to successive years of deficits in 1982 after registering surpluses (of $1.9 billion and $6.3 billion respectively) in 1980 and 1981. Deficits increased from $8.1 billion in 1982 to $46 billion in 1983, $107.4 billion in 1984, and $117.7 billion in 1985 (accounting for 2.8 percent of the GNP in 1985). (IMF: "SHIJIE JINGJI ZHANWANG," [WORLD ECONOMIC PROSPECTS] p 212) This contrasts sharply with its major trading partner Japan which is making surpluses year after year (in 1985 surpluses amounted to $50 billion, which makes up 3.7 percent of its GNP). (Ibid, p 40) This makes it imperative for the authorities to face serious drawbacks in the existing international monetary system and seek ways to devalue the dollar. Thus, at the initiation and insistence of the United States, the Group of Five treasury secretaries decided in New York to work together to intervene in the dollar exchange rate. Between September 1985 and May 1986, the exchange rate of the dollar to yen dropped by 30 percent.

The change in the Reagan administration's stance on the international monetary system issues from opposition to market intervention to advocating government intervention is indeed an important strategic change. This change has led to a series of changes in theory, system and policy.

1) The Reagan adminstration's monetary policy has always been influenced chiefly by monetarism, and the basic philosophy of modern monetarism is a belief that the market economy can be regulated by its own mechanism. [paragraph continues]

Professor Friedmann, the leading future in modern monetarism, is also a champion of the floating exchange rate system. The result of long years of practice, however, shows that the floation of exchange rates has brought about overvaluation of the dollar and an imblance in the international monetary system. This imbalance can no longer be regulated by the market force itself and government intervention has to be sought on an international scale. Some American press described this "change" on the part of the Reagan administration as a change from the former "monetarist" stand to Baker's "pragmatist" stand. (THE WASHINGTON POST 11 May 1986) no matter how one puts it, this is still a real blow to the basic monetarism philosophy.

2) Along with this change, the United States in recent years also began to admit that serious pitfalls exist in the present international monetary system and the need exists to seriously consider a demand put forward by many countries to reform the existing system. The question is: How?

For years the international community has had a serious divergence over the question of the reform of the existing monetary system. France has always advocated the replacement of the present "floating exchange rate" system with the "target zone" system (also known as the "reference zone" system). The so-called "target zone" involves allowing the exchange rate to fluctuate within a given zone; the upper and lower limits of the zone are fixed and used as indicators for intervention or regulation. They believe that this system not only ensures the basic stability of exchange rates and allows fluctuation within a given range, but can promote macroeconomic supervision and policy coordination between the major currency countries. France obviously hopes that this will change the situation where, under the "floating exchange rate" system as practiced in the past, the world financial market was, to a large extent, controlled by dollar fluctuations. Many developing countries also support the "target zone" system, as they think that exchange rate fluctuations brought about by the floating exchange rate system often cause them to suffer severe losses. However, Japan, Britain and the FRG resolutely oppose the idea of the "target zone." The reason they give is that it is very difficult to fix a range within which exchange rates are allowed to fluctuate, and it is not practical to set the range too wide, or too narrow for that matter. They are doing all they can to defend the existing floating exchange rate system, saying that even though it has "inadequacies," they can be remedied. The United States, on the other hand, wants to combine the "floating exchange rate system" with the pre-1973 fixed exchange rate system to form a so-called "managed flotation" system. Under this system, exchange rates can float, but there are also some constraints. According to reports, it was this "managed floatation" system which was peddled by Baker and eventually accepted by the participating countries at the 7-Nation Summit held in Tokyo in May this year. ("The Aim of Baker's Tokyo Initiative Is To Institute 'Managed Floation'," -- THE WASHINGTON POST, 11 May 1986)

U.S. officials admitted that although Baker's "managed floatation" system is quite similar to the "target zone" system advocated by France, there are also differences. it is said that differences are as follows: Under the "target zone" system, if the country's currency exchange rate departs from the range, other partners could compel it to take "remedial" measures, and the government of that country is also duty-bound to "prevent' this departure beforehand or make "remedy" afterwards. Under the "managed floatation" system, however, no "zone" is fixed for any exchange rate and forecasts alone are made on possible changes. If the exchange rate departs from forecasted targets, all that needs to be done is to give an explanation. While ti is true that the governments concerned may be advised to take "remedial" measures, it is not as "mandatory" as under the "target zone" system. (Ibid) However, according to a U.S. official close to Baker, this "managed floatation" system is in essence the "target zone" system. [paragraph continues]

He said that although some Western countries are opposed to the "target zone" system, when treasury secretaries gathered for a meeting, they would invariably discuss why and how their respective currencies could not be above or below this or that level, and what they were talking about was actually the "target zone" system. (COMMERCE WEEKLY, 28 April 1986, p. 73). Perhaps we could say that Baker's "managed flotation" system is a softened "target zone" system. The most important point is that it replaces the free flotation of exchange rates with "collective intervention" by the major Western currency countries.

3. "Managed flotation" relies on "collective intervention" by the major currency countries for its implementation and is different from "free flotation" which relies on spontaneous market forces.

What to "monitor"? At Baker's initiative, the recent Tokyo Summit agreed that the seven nations (particularly the major currency countries) should "monitor" one another's exchange rate, economic growth rate, inflation rate, interest rate, unemployment rate, deficits, foreign trade balances, monetary growth rate, and reserves. Why the need to carry out more extensive macroeconomic monitoring? Because people have come to understand, through discussion in recent years, that exchange rate variations are comprehensive manifestations of macroeconomic activities. Hence it is not sufficient just to monitor the exchange rate indicator, and the "monitoring" of a series of major macroeconomic indicators is necessary. The relevant resolution from the Tokyo Summit reflected this understanding.

The Tokyo Summit has reached the following agreements. Each year, the seven nations will plan their respective targets for the above-mentioned macroeconomic indicators in accordance with their own economic conditions. For coordination, they will meet once every 3 or 4 months to discuss the world economic situation and to see if economic development in various countries has departed from the agreed stable growth path. If it is discovered that a particular country has departed from this course, it may be asked to explain the circumstances or advised to take remedial measures. However, no member-state will be compelled to accept that which it does not want to accept, and sovereignty will be strictly respected. Actually, to judge from the situation at the Tokyo Summit, American views and interests play a dominant role. All these "monitoring" and "coordination" meetings are confidential. Although the president of the "fund" will sometimes be invited to attend these meetings as an observer, all these activities are, by and large, conducted by the heads-of-state or treasury secretaries of the seven nations outside the "fund."

At this point it is necessary to analyze the changing American attitudes on the question of macroeconomic monitoring and policy coordination, to see the essence and purpose of the Reagan administration's external economic strategy. For quite some time, the stability and development of the world economy has been seriously impaired by violent fluctuations of major currencies (particularly the dollar) in the international financial market. Many countries, particularly the developing countries, chiefly blame exchange rate fluctuations on the macroeconomic imbalance of major currency countries, and think that international action should be taken to monitor the macroeconomy and policies of these countries. On the problem of debts, the vast numbers of developing countries believe that, apart from internal reasons such as improper policies and mismanagement of borrowings on the part of the debtor countries, the worsening of external conditions (such as the world economic crisis, deterioration in trade conditions, price fluctuations and world market exchange rates, and the prevalence of protectionism) is also an important cause of debt problem intensification. They think that the industrial nations have an unshirkable responsibility for this state of affairs. [paragraph continues]

Thus, in all previous international conferences, the developing countries have always voiced strong opposition against the "nonreciprocal nature" of international monitoring, saying that it is unfair to only monitor the developing countries (meaning the debtor countries) but not the major industrial nations and major currency countries. They emphasized that international monitoring must be "reciprocal." America and the other major industrial nations refused to be monitored by any party (be it the developing countries or the "Fund") and simply ignored the developing countries' demand for "reciprocal monitoring." In recent years, the Americans have changed their attitude. They talked glibly about "reciprocal" monitoring, although their emphasis on the question of the international monetary system was mutual monitoring and coordination among major currency countries. They also made a special point of taking "reciprocity" as a criterion for improved exchange rate control, and asked countries with deficits and those with surpluses to carry out "monitoring," "coordination" and economic readjustment "in a reciprocal way." In this, they have directed their spearhead at Japan and the FRG, the two countries with the biggest surpluses. Thus, the "reciprocal" monitoring and readjustment clamored for by the Americans is something quite different from the principle of "reciprocity" demanded by the developing countries. Their main aim is to make their partners accept U.S. "monitoring" and to submit to U.S. interests through so-called measures of "coordination." According to foreign correspondents, the Americans were overbearing during the Tokyo Summit and American interests played a dominant role when it became necessary for different nations to compromise their interests. It is not difficult to see that the Americans were trying to use so-called "monitoring" and "coordination" as their means of easing the plight of dollar overvaluation and excessive trade deficits, and restoring their leadership in the Western economy which has been greatly weakened in the last decade or so. The U.S. WASHINGTON POST said without mincing words: "The New York and Tokyo Accords show two points: First, America has the intention of restoring its lead in the international economy; second, the western countries have the ability to work together in harmony for an international goal." ("The Aim of Baker's Tokyo Initiative is to Institute 'Managed Flotation,'" THE WASHINGTON POST, 11 May 1986) The British FINANCIAL TIMES also said: The Americans tried to use monitoring and coordination as a means of easing the debt problem and the problem of the overvaluation of the dollar and thus move "toward a new world order." (FINANCIAL TIMES, 22 May 1986) But it can be imagined that in the course of moving "toward a new world order" the United States and its major economic partners will not be working in "harmony" but will be working amidst the conflicts of interests.

Baker's "lending programs," the New York and Tokyo Accords, and other major international actions discussed above, all fully illustrate the great initiative of the present Reagan administration's external economic strategy. In what other areas, then, will the Reagan administration be likely to take major international actions? As I see it, to reduce trade deficits, the Reagan administration is likely to take actions in at least the following two areas: (1) To enlarge exports, it will oppose protectionism on the part of its major partners. It has already proposed a new round of trade talks. It is expected that at the forthcoming meeting of treasury secretaries in September, the Americans are likely to table certain so-called "anti-protectionism" motions and strive to reach a number of agreements. The problem is, since the Americans themselves have adopted more than a few protectionist measures, it will not be very convincing when they begin to denounce others for practicing protectionism. Howeever, the Reagan administration may use some of its protectionist measures as chips when bargaining with its major partners. (2) Since the end of last year, the U.S. Government has slowed down the country's growth rate to reduce budget deficits. On the other hand, it has been urging Japan and the FRG to accelerate their economic growth rate and play the role of the "locomotive" in spurring on economic growth in the West. [paragraph continues]

In point of fact, what they want to do is to persuade their major partners to increase their imports from the United States and, in so doing, ease the problem of the so-called "imbalance in the world" between "countries with surpluses" and "countries with deficits." This United States' request has always met opposition from Japan and the FRG because the latter two countries are afraid that this may lead to higher inflation. Although Reagan and Baker were unable to impose their will on Japan and the FRG during the Tokyo Summit, shortly after the summit, President Reagan made it clear, in a speech delivered toward the end of May, that after the problem of dollar overvaluation has basically been corrected, the U.S. Government will direct its attention to the problem of "imbalance in the world." (Fleming: "Reagan Says Dollar Fall Has Begun To Correct Trade Deficit," FINANCIAL TIMES, Britain, 30 May 1986) In answer to the proposal put forward by the president of the Federal Bank of Germany that the dollar exchange rate be kept stable for at least 6 months, Baker said at a meeting of the American Bankers' Association on 3 June, that unless Japan, the FRG, and other countries speed up their economic growth to check the worldwide trade imbalance, "the United States will still have to resort to the dollar exchange rate." (THE WASHINGTON POST, 4 June 1986) In fact, America's huge trade deficit cannot be eliminated by lowering the exchange rate. Baker's intention was no more than to blackmail countries like Japan and the FRG into speeding up their economic growth and enlarging their imports of American goods. We should watch out for possible steps taken by America to force Japan and the FRG into speeding up their economic growth.

In short, as seen from the series of activities it has engineered in recent years, the external economic strategy of the Reagan administration covers at least two aspects. First through the so-called "lending programs," it seeks to mobilize all forces to help ease the interest payment problem confronting the debtor countries in Latin America and Africa to strengthen its economic control and political influence over these areas. Second, while striving to solve the present problem of exchange rate and trade imbalances, it seeks to gradually establish among the major industrial nations a system of macroeconomic "monitoring" and "policy coordination" with America playing the dominant role to strengthen America's leadership in the Western economy. This strategy no doubts reflects the fundamental interests and pressing desire of the U.S. monopoly capitalist groups. How far this strategy can succeed depends on the development of the world economic situation and the conflicts and struggles among countries.

IV

Based on the above preliminary analysis of the external economic strategy of the Reagan administration, this paper will attempt to present some of my personal views on the new situation brought about by this strategy and the countermeasures we should take.

1. Generally speaking, since "Baker's lending programs" seek to mobilize various parties concerned to help relieve the difficulties confronting Latin America and Africa in interest payments, and since the major currency countries headed by America have accepted the so-called "managed flotation" system and carried out "monitoring" and "coordination" in respect to macroeconomic indicators, the debt situation and the dollar exchange rate in the financial market are likely, on the whole, to stabilize within a short time (within 6 months to 1 year).

However, insofar as the debt situation is concerned, the "stability" brought about by the "Baker Plan" will be very fragile. First, its source of funding is weak. Lending funds going to the 15 middle-income countries can cover only one-third of the annual interest payments and the major part of the interest payments must still come from the export earnings and other income of these countries. Second, the export earnings of these countries are conditioned by many external factors of uncertainty. [paragraph continues]

Once their export earnings suffer serious cutbacks, even the "Baker Plan" will have difficulty guaranteeing these countries' interest payments. At present, Mexico is losing 30 percent of its export earnings and 25 percent of its tax revenue because of the drop in oil prices (petroleum sales constitute 70 percent of its export earnings), and has to raise between $50 billion and $60 billion in loans to pay this year's interest. If "Baker's lending programs" are adopted, Mexico alone will have used up half of the usable funds for the current year. Mexico is now painstakingly engaged in negotiations with the IMF and commercial banks. If these negotiations fall through, it is possible that Mexico will ignite another Latin American debt crisis within the year. Lately the Americans have stepped up lobbying activities. President Reagan openly pledged support to the Mexicans, noting how closely the interests of the two countries are tied together. (Rowe: "Reagan Pledges U.S. Support to Mexico," THE WASHINGTON POST, 5 June 1986) Federal Reserve Chairman Volcker paid a private visit to Mexico; Baker also said "We are actively working on it and believe that the situation in Mexico will stabilize." (Ibid) It is reckoned that through the efforts of the United States, the "fund," and other parties, this debt crisis can be avoided. Even so, if no improvement is made in the export situation in the developing countries, reimbursement difficulties can still occur any time. Last but not least, the "Baker lending program" is still in its planning stage. If the commercial banks do not undertake to provide the $20 billion, the "Baker Plan" itself will be put in a tight spot, and the development of the international debt situation will be too ghastly to contemplate.

Whether the major currency exchange rates will stabilize in the near future depends, to a large extent, on whether the dollar exchange rate will stabilize in the near future. In the past the dollar was overvalued by 40 percent against the Japanese yen. Since September last year, the dollar has dropped by 30 percent. It appears that overvaluation has by and large been a thing of the past. The concern now is whether the dollar will continue to fall. Baker hopes to see a further drop to boost American exports, but is tight-lipped about the bottom line he has in mind. As I see it, even if the dollar drops further, the drop will be quite small because the continuous devaluation of the dollar is not favorable to the United States. The resulting inflation will produce pressure at home, increase people's anticipation of inflation, make interest rate cuts imperative, and reduce the inflow of foreign capital. At present, the annual inflow of scores of billions of dollars from abroad is precisely what the United States needs to maintain its economic stability and growth under conditions of huge deficits. The further drop of the dollar can produce little affect in reducing the U.S. trade deficit but will prove costly in other respects. Besides, the Japanese authorities have already declared that they are prepared to react to a further drop of the dollar. Federal Reserve Chairman Volcker opposed the further drop of the dollar for fear that it might touch off inflation. Other major currency countries also want to call a halt to the falling trend of the dollar. In my opinion, the exchange rate of the dollar against the Japanese yen and other major currencies will more or less stabilize in the near future. Of course, this does not preclude the possibility of a slight drop in the dollar. In particular, with the economic growth rate slowing down and unemployment rising in the last couple of months, and congressional elections forthcoming, the Reagan administration may be forced to further reduce interest rates due to political and economic pressures. It is possible that this may lead to a further drop of the dollar exchange rate. Even so, the extent of the fall will not be too great and the duration will not be long.

2. Although the United States subjectively wished to make use of the macroeconomic "monitoring" and policy "coordination" among the seven Western nations, a notion endorsed at the Tokyo Summit, as a means of restraining its partners, this kind of "monitoring" and "coordination" can indeed help stabilize international exchange rates and the world financial market to a certain extent. [paragraph continues]

Thus, it is inadvisable to negate this notion in a summary fashion.

The question is: The Tokyo Summit only bestowed the seven Western nations the responsibility of carrying out this kind of "monitoring" and "coordination," while the great number of developing countries were still denied the right to monitor the macroeconomic activities of the major currency countries, although the developing countries always fell victim to the adverse external conditions produced by the macroeconomic policies of the major currency countries.

Another question is: This kind of "monitoring" and "coordination" also have nothing to do with IMF organizations. The "fund" is left to one side and has no part in it, although it is acknowledged by the public as an inter-governmental body responsible for international monetary cooperation.

This state of affairs should be improved. The developing countries have always demanded implementation of the principle of "reciprocity" in economic monitoring and readjustment. At present, however, it is not practical to demand that "monitoring" and "coordination" by the seven Western nations be placed under the supervision of the "fund" or that the developing countries be allowed to directly partake in the "monitoring" through appropriate means. The seven Western nations will not accept this. However, as a first step, what can be done is that by right of the authority acknowledged by the governments of various countries, the IMF should be represented in meetings of the heads of state or treasury secretaries of the seven Western nations, with the president of the "fund" taking part in the meetings on behalf of the "fund" and answering to the "fund's" executive board. The reasons for the "fund's" participation are fully justified: 1) The "fund" is the organization for monetary cooperation among different governments. 2) Since each nation acts in its own interest in the 7-nation meetings and the "fund" is supposed to act in accordance with the provisions of its "general agreement," it can fully play its mediatory and catalytic role in the conflicts of interests and promote cooperation among nations with respect to the monetary system. Now the Americans are also advocating "monitoring" and "coordination" and are glibly talking about "reciprocal monitoring." We and the developing countries could make use of their appeal to strengthen our own struggle for the principle of "reciprocity" and step by step fight for the right of the developing countries to monitor the maroceonomic activities of the major currency countries.

3. From the above analysis of the "Baker lending program," we can see that while it can be used by the United States to strengthen its economic control over Latin America and Africa, it can also be put to good use by the developing countries. This being the case, the policy we should adopt is to criticize its intensified economic control over the debtor countries (such as the imposition of stricter borrowing terms and overlapping terms) while supporting the developing countries in utilizing external funds under equitable conditions to develop their national economies. We should also support the demand and struggle of the developing countries to uphold sovereignty when making use of external funds, and show adequate understanding and sympathy toward developing countries that are forced to accept loans on harsh terms due to special economic difficulties. Under the present circumstances, th the "Baker lending program" is in difficulty because of a lack of positive support from private commercial banks,we can turn the situation to our good and demand that the U.S. Congress and Government supply part of the funds.

We should see that for some time to come many developing countries will have pressing needs for external funds. On the other hand, borrowing terms are becoming more and more harsh. [paragraph continues]

Even some unconditional loans offered by international monetary organizations (such as the "fund") have become conditional, and preferential credits have become less preferential. Thus, I think it advisable to adhere to the principle of "reason, strength, and integrity" in struggles over international debt problems. It is inadvisable to support individual debtor countries to unilaterally demand the mitigation or writing off of debts, but we welcome the conclusion of such agreements between the creditor and debtor countries through bilateral talks. In fact, such agreements have been concluded between a few creditor countries, CHAs the FRG, and certain debtor countries. Judging from present conditions, the demands put forward by certain debtor countries to lower the interest rate on old loans are quite realistic and many debtor countries can benefit from them. For some debt-ridden countries (e.g. Mexico), the lowering of the interest rate by one percentage point means $1 billion less in interest payments each year. However, our most pressing task at present is to strengthen solidarity and cooperation among the developing countries, particularly among the debtor countries. In recent years, proposals were put forward by the debtor countries at international meetings to cut the interest rates on old loans, set up loans to compensate for interest payments and for price cuts in oil and capital goods, increase the allocation of special drawing rights, and so on, but most of these were frustrated by the industrial nations because the developing countries (particularly the debtor countries) were unable to arrive at a unified stand on certain issues because they each had their own considerations. While it is true that under the present system, even if the debtor countries could achieve a unified stand, they may not necessarily be able to change the situation because the industrial countries have more voting power in many international organizations. This notwithstanding, the difficulties and cooperation that exist among the developing countries still constitute their most powerful means of international struggle.

In short, the external economic strategy of the present Reagan administration shows great initiative and a complicated nature: On the one hand, it serves its economic expansion; on the other hand, it has aspects that we and other developing countries can make good use of. For example, we could make use of the so-called "Baker lending program" to ease the payment difficulties of certain debtor countries and pressure the U.S. Congress and Government into providing funds for the "program"; we could make use of the American appeal for "reciprocal" macroeconomic "monitoring" between "countries with surpluses" and "countries with deficits" to strengthen the developing countries' positions in demanding "reciprocal" economic "monitoring" and "coordination" between the major industrial countries and the developing countries; we could even use American slogans against protectionism to oppose the protectionist measures of major industrial nations of the West, including the United States. How much the developing countries can make use of the "Baker lending program" depends to some extent on whether the developing countries can achieve extensive solidarity and adopt clearcut policies and a unified stand.

HU YAOBANG MEETS WASHINGTON POST CHAIRMAN

OW231228 Beijing XINHUA in English 1222 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met Katharine Graham, chairman of the Washington Post Corporation of the United States, and her party here today.

Hu answered questions raised by the U.S. visitors.

XINHUA: USSR DEPUTY DEFENSE MINISTERS REPLACED

OW251142 Beijing XINHUA in English 1126 GMT 25 Sep 86

[Text] Moscow, September 24 (XINHUA) -- Soviet First Deputy Defense Minister Marshal V.I. Petrov, and Deputy Defense Minister A.T. Altunin may have been relieved of their posts, the Army daily KRASNAYA ZVEZDA (RED STAR) indicated today.

In an obituary of Colonel General P.N. Pokrovskiy carried by RED STAR, the places reserved for Petrov and Altunin in a list of signatories are occupied by General P.G. Lushev and General I.M. Tretyak respectively.

This suggests Lushev and Tretyak may have taken over from Petrov and Altunin.

Born in 1923, Lushev had been commander of the Soviet troops in Democratic Germany since July last year. He had been commander of the Central Asian Military District and commander of the Moscow Military District.

Tretyak, 63, was named commander-in-chief of the Soviet Far Eastern War Zone in 1984. He had also served as commander of the Belorussian Military District and commander of the Far Eastern Military District.

SOVIET OFFICIAL CLAIMS TRADE TO EXPAND

OW231858 Beijing XINHUA in English 1838 GMT 23 Sep 86

[Text] Moscow, September 23 (XINHUA) -- There are "broad prospects" and "great potential" for the development of Sino-Soviet economic and trade relations, a Soviet trade official told the official newspaper "PRAVDA" today.

M. Kiryanova, head of China section in the Ministry of Foreign Trade, said major progress has been made in economic and trade relations between two countries. She added that their bilateral trade increased nine-fold in the period 1981-85. It reached over 1.6 billion roubles (about 2.4 billion U.S. dollars) in 1985 and will increase further this year.

She said Soviet First Vice-Premier Nikolay Talyzin's visit to China earlier this month was "a new impetus to Soviet-Chinese economic and trade relations." According to an agreement signed during Talyzin's visit, trade will increase 5 billion roubles (about 7.5 billion U.S. dollars) in the next five years till 1990.

In addition to existing trade arrangements, she said, the two countries will cooperate in industry, raw material processing, compensation trade and the establishement of join-ventures.

JARUZELSKI SENDS MESSAGE FROM PLANE TO PRC LEADERS

LD242013 Warsaw PAP in English 1740 GMT 24 Sep 86

[Text] Pyongyang, Sept. 24 — En route from Ulaanbaatar to Pyongyang, Wojciech Jaruzelski sent the following message from aboard his plane to General Secretary of the Chinese Communist Party CC Hu Yaobang and to Chairman of the People's Republic of China Li Xiannian:

"Flying over the territory of the People's Republic of China, I wish to convey to the great, friendly Chinese nation, to the leadership of the People's Republic of China, and to you personally, best wishes of success, further achievements in socialist building and development of People's Republic of China."

HUNGARIAN COOPERATION MEETING SUMMARIES SIGNED

On Economy, Technology

OW021412 Beijing XINHUA in English 1235 GMT 20 Sep 86

[Text] Beijing, September 20 (XINHUA) -- A summary of the second meeting of China-Hungary Committee on Economic, Trade, Scientific and Technological Cooperation was signed here today.

The document was signed by Liu Yi, Chinese minister of commerce, and Istvan Hetenyi, Hungarian minister of finance, both co-chairman of the committee.

The two sides expressed satisfaction with the development of bilateral economic, scientific and technological cooperation and the increase in trade scope since the committee's first meeting, the summary notes.

The two sides defined on cooperation items concerning wheat flouring equipment and technology and the manufacture of numerical-controlled machinery. They also explored into the possibilities of setting up direct trade ties between Hungarian and Chinese provinces and municipalities and of conducting bilateral labor service cooperation.

On Transportation

OW250540 Beijing XINHUA Domestic Service in Chinese 1129 GMT 22 Sep 86

[From "International Shortwaves"]

[Text] Beijing, 22 Sep (XINHUA) — News from Budapest: A delegation of the Chinese Ministry of Communications, headed by Vice Minister Wang Zhanyi, visited Hungary from 14 to 22 September. Wang Zhanyi held talks with Hungarian Deputy Minister of Transportation Ervin Nagy, and they signed a summary of these talks. Both sides have decided to increase their technological exchanges and visited by technical personnel.

HONG KONG JOURNAL ON WANG RUOSHUI, HUMANISM

HK250545 Hong Kong KUANG CHIAO CHING in Chinese No 168, 16 Sep 86 pp 10, 11

[Article by Mo Min-chi [5459 2404 3825]: "Wang Ruoshui Opens Fire at an 'Authority on Theoretical Issues'" -- first two paragraphs printed in boldface.]

[Text] Between July and August 1986, Wang Ruoshui consecutively published three extraordinary polemic articles. He targeted an authority on theoretical issues and resumed the "great debate on humanism."

That "authority on theoretical issues" had also decided to "rectify a deviation," and wrote an article entitled "Freedom of Creation and the Sense of Social Responsibility of Literature and Art Workers," which he required that WENYI BAO to publish as a commentator's article, without signing his own name to it; at the same time, he told XINHUA NEWS AGENCY to have it transmitted.

The philosopher Wang Ruoshui has been quite busy, with many of his writings being published, as well as a collection of his essays. However, his removel from office during the "elimination of spiritual pollution" has not been corrected so far, and he has not been appointed to a new position.

Wang Ruoshui has Consecutively Published Three Polemic Articles [subhead]

The recent publication of Wang Ruoshui's articles is noteworthy. Shanghai's JIEFANG RIBAO carried his article "The Freedom of Literature and Literature of Freedom" on 4 April. Consecutively on 17 and 18 July, Shanghai's WEN HUI BAO carried his article entitled "Marxist Philosophy of Man." Again, on 8 August, Beijing's HUASHENG BAO carried his article entitled "The 'Double-Hundred Policy' and Citizens' Rights." This philosopher has shown meticulous care in these writings.

To those readers who know nothing about the inside story, these three long articles by Wang Ruoshui seem to be purely theoretical. But in fact, their target is obvious, and the articles are written in a highly militant spirit.

The article "The Freedom of Literature and Literature of Freedom" criticizes someone who confuses freedom in the philosophical sense and in the sociopolitical sense. The article cited the example of the WENYI BAO commentator's article, (No 6, 8 Feb 86) entitled "The Freedom of Creation and the Sense of Social Rsponsibility of Literature and Art Workers." A friend in Shanghai disclosed to the author the inside story of that article in WENYI BAO which enabled the author to better understand Wang Ruoshui's article "The Freedom of Literature and Literature of Freedom."

The CPC "Authority on Theoretical Issues" Decided To "Rectify a Deviation," and Required WENYI BAO To Publish his Important Article in the Form of its Commentator's Article; at the Same Time. He Told XINHUA NEWS AGENCY To Transmit Its Full Text....[subhead]

It happened that after Hu Qili proposed the slogan "Freedom of Creation" at the Writers' Association, the CPC authority on theoretical issues was very annoyed and decided to adopt measures to rectify this deviation. He wrote an article as an apologist; however, he was unwilling to sign his name to it, and required WENYI BAO to publish it in the form of its commentator's article. The editors of WENYI BAO did not quite go along with the viewpoints in the article, but were not in a position to openly defy him. Therefore, they consulted him in a round-about way by saying: "This article carries some weight; it is best to sign your name." The authority of theoretical issues wanted to air his views but would not make himself conspicuous and insisted that WENYI BAO publish his article "The Freedom of Creation and the Sense of Social Responsibility of Literature and Art Workers"; at the same time, he insisted that XINHUA NEWS AGENCY transmit it for publication in all major newspapers in Mainland China. However, his views have few supporters, and not many mainland newspapers have carried this article.

Wang Ruoshui Targeted the "Grand Article" of the "Authority on Theoretical Issues" [subhead]

In his writing, Wang Ruoshui targeted the article of that authority on theoretical issues and analyzed freedom in two different senses; at the same time, he refuted the censure that he had wanted to abolish discipline on the grounds that he had proposed "freedom and responsibility." Needless to say, it was that authority on theoretical issues who had made the censure.

The Continuation of the "Great Debate on Humanism" [subhead]

Therefore, we should by no means regard Wang Ruoshui's article "The Freedom of Literature and Literature of Freedom" merely as the clarification of some concepts and the expounding of some viewpoints. It is acutally a continuation of the significant great debate on humanism that broke out a few years back.

Ironically, when Wang Ruoshui's article was published, that authority on theoretical issues was also in Shanghai. When he read Wang Ruoshui's article, he must have sighed with emotion, recalling his power and prestige in the debate on humanism, when he could attack his opponent with his influence!

The article "On Marxist Philosophy of Man" is one of the highest level and is the most effective of the three. As is pointed out in the article, "Whenever Marxism is mentioned, it is class struggle and proletarian dictatorship that first occur to people," and "this has given Marxist studies a severe tint"; and the most popular saying regarding Marxist theory is "you will get what you need." Wang Ruoshui believes that all this is skin-deep and one-sided. He stresses that Marxist philosophy is humanitarian, while the basic principle of communist society is the "all-round and free development of every man," just as Marx himself had repeatedly said. This philosopher went on to quote at length from Marxist classical works, demonstrating and expounding this concept.

The fact that Wang Ruoshui has written a long article in tens of thousands of words to expound Marxist philosophy on man is in line with his persistence in advocating humanism over the years. As a communist, this means to advocate humanism on a higher theoretical plane. This is not only a negation of the whole set of theory on "taking class struggle as the key link," which had for a long time occupied a dominant place inside the CPC, but a criticism of the various views neglecting human values which still have wide influence inside the CPC.

Repercussions of the Polemic Articles [subhead]

It is precisely because of this that the publication of this article has roused great attention in theoretical circles in Mainland China. It is said that the teachers and students of advanced party schools, the supreme party bases of theoretical training, which are known for adhering to orthodox theory, are talking about it; moreover, the majority of them support it. Of course, some people in CPC theoretical circles do not quite approve of it, thinking it "departs from the classics and rebels against orthodoxy," and is an imitation of Khrushchev's concept of "Everything is for man."

But gone are the days when people could conjure up "the label of revisionism" to suppress exploration and blazing new trails, to the regret of those apologists. All they can do now is complain in private.

In his article The Double-Hundred Policy and Citizens' Rights,'" Wang Ruoshui acutely pointed out that the reason why the "double-hundred" policy failed to be implemented in the past was only because the authority of the constitution had not been safeguarded, nor had there been any guarantee for citizens' rights. Beyond a doubt, this has played a part in pointing out the malpractice of some leading CPC members who pay lip service to strengthening the legal system but, in reality, believe that one sentence of theirs is more authoritative than the provisions in the Constitution.

Why Did Wang Ruoshui Choose To Publish his Article in Shanghai Rather Than Beijing [subhead]

Why were two out of Wang Ruoshui's three articles published in Shanghai? My friends told me that Wang Ruoshui arrived in Shanghai in late May, having attended a meeting commemorating Deng Tuo. His long speech delivered at the Shanghai Symposium on Cultural Strategy caused a sensation in the city. Some academic organs vied to have him give lectures. The chief editors of both JIEFANG RIBAO and WEN HUA BAO made special trips to visit him, asking him to write for their newspapers, while other newspapers and journals sent their reports to interview him. Feeling that it would be ungracious to turn down the offer, this philosopher agreed to write one article for each of the two major Shanghai newspapers, but politely turned down all inviations to be interviewed and make speeches. Qin Benli, the responsible person of SHIJIE JINGJI DAOBAO is quite familiar with Wang Ruoshui, and he had written an interview ready for publication, but Wang Ruoshui simply would not agree to have it published. The only interview was carried in SHEHUI BAO, ["SOCIETY JOURNAL"] a newspaper launched by Deng Weizhi. Wang Ruoshui had no desire to become the focus of public opinion. Under such circumstances, he left Shanghai in a hurry, ahead of schedule.

However, the talk about Wang Ruoshui in Shangai did not stop with his depature. A dispatch carried in Guangzhou's XIANDAI REN BAO ["OUR CONTEMPORARIES"] under the heading "Theoretical News of Newsmaker -- Wang Ruoshui on Modernization of Marxism" said: "His speech in Shanghai has started a chain reaction in people's minds." the two long articles carried in the Shanghai newspapers have brought about very strong repercussions in Shanghai.

Some figures in Shanghai theoretical circles have watched Wang Ruoshui's moves closely. According to a friend of mine, Wang Ruoshui went to Xinjiang, attended an academic meeting and delivered another speech. Worthy of note was the fact that a big shot in CPC theoretical circles had long been in Xinjiang taking charge of ideological work, and his influence was still felt. Therefore, Wang Ruoshui met with some restriction when delivering the speech. But to the great surprise of the responsible person of the local theoretical department, the response of the audience was very strong. According to the report of a newspaper, a "meeting in celebration of new technological revolution and structural reform" was held in Hangzhou in early August. The meeting was initated by such famous personalities of the reformist school as Wen Yankai, Deng Xunchu, and Bu Xinsheng, and Wang Ruoshui was among the participants. [paragraph continues]

According to some people from Beijing I have met recently, Wang Ruoshui is now doing some writing in Shandong. It seems that this philosopher is still very busy with his academic activities even if "one feels carefree when one is relieved of official duties."

Has the Verdict on Wang Ruoshui Been Reversed Under the Relaxed Environment? [subhead]

What is pleasing is the publication in August of Wang Ruoshui's collection of philosophical these under the book title "In Defence of Humanism." It is said that more than a year had passed since the manuscripts of this collection were turned over to the Joint Publishing Company, Bejing, but they had not been sent to the compositor because of the "climate." This collection is available to the public in the ever more relaxed academic atmosphere in the mainland. According to a friend in press circles, the first printing of the book numbered 30,000 copies; and it became a best-seller and ran out of stock within a few days. Now they are ready to have a second printing of the book. Besides, Wang Ruoshui's collection of literary critique and essays entitled "The Pain of Wisdom" will soon be available to the public. The manuscripts has been pigeonholed in the Editorial Department of Renmin Wenxue ["People's Literature"] Publishing House for more than a year.

"Wang Ruoshui's verdict is eventually reversed!" The author said this with feeling in talking about him with friends in Shanghai. But I did not expect that would bring about disputes.

A friend said: "To the public, Wang Ruoshui has alway been a respectable, positive personality; his removal from office during the campaign to 'eliminate spiritual pollution' has only brought him greater prestige. Therefore, the question of reversing the verdict has basically never existed. As for the leadership, they have so far remained silent on Wang Ruoshui's problem during the campaign to 'eliminate spiritual pollution' nor have they made appropriate work arrangements for him, so we can hardly say his 'verdict' has been reversed!"

"At least he can deliver speech and have his writings published anywhere he likes; moreover, his books are now published"! The author said in an attempt to defend himself.

"This has actually shown a relaxed academic atmosphere." At this point, another friends immediately put forth a question: "But I don't think he can have his writings published anywhere he likes. Why is it that we haven't seen any of Wang Ruoshui's articles carried in RENMIN RIBAO so far?"

The author had not thought of that. But Why? Who should provide us with an answer!

STATE SECURITY DEFECTOR NOT 'SENIOR OFFICIAL'

HK260202 Hong Kong TA KUNG PAO in Chinese 26 Sep 86 p 1

["Special Dispatch" from Beijing by reporter Hou Tung-hai [0186 2639 3189]: "Foreign Press Reports Were Highly Inconsistent With the Facts; the Defector, Named Yu Qiangsheng, Was Not a Senior Official of the Minister of State Security"]

[Text] Beijing, 25 Sep -- According to reliable sources, Yu Qiangsheng, an ordinary worker at the Chinese Ministry of State Security, defected abroad at the end of 1985. [paragraph continues]

However, the sources said: "Recent foreign press reports on the defection of Yu Zhensan, 'senior official' of the Chinese Ministry of State Security, were highly inconsistent with the facts. In fact, no senior officials of the Ministry of State Security have ever defected."

The sources said: At the end of 1985, a man Named Yu Qiangsheng defected abroad. He once worked at the public and state security organs but was discharged from public employment for immorality and degeneration. Yu was not a "senior official" of the Minister of State Security. He never held the post of chief of the Foreign Affairs Bureau or Information Bureau as reported by foreign press, but was merely an ordinary worker. He worked as a deputy section chief for a time before his dismissal.

YANG DEZHI STRESSES ARMY REGULARIZATION

OW180830 Beijing XINHUA Domestic Service in Chinese 1322 GMT 17 Sep 86

[Text] Guangzhou, 17 Sep (XINHUA) -- Yang Dezhi, chief of the PLA General Staff, stressed that an important task of the current military work is to accelerate the regularization. If concerns the Army's image, which has a direct bearing on the prestige of the country and the Army.

He made these remarks today at an all-Army seminar on the reform of combined training tactics, which was sponsored by the PLA General Staff Department. The CPC Central Committee and the Central Military Commission have called on us to shift the guiding principle for army building from war preparedness to peacetime construction, and to carry out the Army's basic construction on the premise of serving national economic construction, he said. This means that we must accelerate the PLA's regularization in order to heighten the soldier's spirit, promote the Army's modernization, and make it more revolutionary.

In regularizing the Army, we should not spend a lot of money and increase the number of units, but rely on the existing manpower and material resources, Yang Dezhi pointed out. Currently all PLA offices and units have basically completed reorganization work and leading bodies at all levels have already selected their members, providing the necessary conditions for successfully carrying out the regularization of the Army and enabling it to take on a new look within 1 to 2 years.

Discussing the contents of the regularization, Yang Dezhi said: At the least, we must strictly enforce rules and regulations, and set up unified and standardized order for war preparedness, training, work, and daily life. It is necessary to formulate healthy work style and discipline, and foster good relations between officers and soldiers and between soldiers and civilians. It is also necessary to pay close attention to scientific management and improve leadership quality and management ability.

Yang Dezhi also stressed the importance of military training, management education, and ideological and political work for accelerating the process of the Army's regularization.

COMPILATION OF MILITARY ENCYCLOPEDIA COMPLETED

OW241031 Beijing XINHUA Domestic Service in Chinese 0015 GMT 22 Sep 86

[By reporter Xu Jingyao]

[Excerpts] Beijing, 22 Sep (XINHUA) -- Compilation of the "Chinese Encyclopedia" volumes dealing with military affairs was recently completed. The volumes will be published one after another. They will make up the first comprehensive encyclopedia on military affairs ever published in China.

The volumes are the result of a comprehensive compilation of military knowledge in all areas and thus have substantial content. The book is divided into 25 branch subjects, including military thinking, military figures, and military geography, and contains a total of 2,679 entries and over 3.6 million Chinese characters. After 5 years of compilation, screening, editing, and examination under the leadership of the Central Military Commission, eight volumes have already been published. Thirteen more will be published beore the end of this year. [passage omitted]

It is reported that following the Completion of the "Chinese Encyclopedia" volumes on military affairs, compilation began of a still more voluminous work, the "Chinese Military Encyclopedia" which will have over 11 million Chinese characters. Comrade Deng Xiaoping recently wrote the title for this book.

GUANGMING RIBAO ON POLITICAL STRUCTURAL REFORM

HK260141 Beijing GUANGMING RIABO in Chinese 18 Sep 86 p 1

[Commentator's article: "Drawing Two Demarcation Lines Ideologically in Political Restructuring"]

[Text] With the in-depth development of the reform of the economic structure, more and more people have shown concern for political structural reform. Because the political reform involves a wider scope than the refrom of the economic structure as well as more profound contents, the difficulty will be still greater, and the conditions more complex. Thus, we must deal with it with greater care. To ensure that political structural reform can proceed more smoothly, perhaps it would be wise to draw two demarcation lines ideologically: First, like the reform of the economic structure, political structural reform is also a self-perfection and self-development of the socialist system. Some people believe that reform is unnecessary because we have already established the socialist political system. It seems that the socialist political system is perfect and impeccable once it is set up. Such an idea is unfavorable to the political structural reform. Therefore, it is necessary to draw a demarcation line against it. And second, the political structural reform should be favorable to improving and consolidating the party's leadership; by no means should it cause a change in the basic nature of the socialist system. The view that political structural reform will reduce and eliminate the party's leadership and change the basic nature of the socialist nature is wrong. We should likewise draw a demarcation line against such a view.

How should we view the ideological turbulence in the course of reform? An overall analysis is necessary. On the one hand, political structural reform will inevitably bring about effects on people's material interests, lifestyle, concept of value, human relations, as well as their ways of association. Ideological turbulence in all social strata and sectors is inevitable too; and it is natural that there will be a variety of opinions for a time. Such opinions, if guided appropriately, will be changed into tremendous forces to push forward reform.

Hence, they are a good thing. We should no make a fuss over the opinions of the masses or criticize them. In particular, media departments engaged in journalism, propaganda, and theoretical work should themselves carry out reform in the course of political structural reform, in order to eliminate the rigid pattern of propaganda work.

On the other hand, we should correctly and appropriately handle the differences between all social sectors in the course of reform of the political structure, because of the complexity of the political structural reform and China's national conditions, so as to avoid major disturbances and conflicts in the overall situation of reform. Ours is a socialist country; contradictions in basic interests between social strata and sectors do not exist. Hence, it is possible for us to achieve this. Media departments such as journalism should work hard to safeguard and create a harmonious atmosphere, so that all kinds of contradictions and differences may be solved in a relatively harmonious environment.

So long as we draw the two demarcation lines on principle ideologically, and adhere to consolidating the party's leadership along with the process of self-perfection and development of the socialist political system, we will certainly pool the wisdom of the masses from their opinion about the reform. Meanwhile, we will be able to prevent major disturbances and conflicts in the inevitable ideological turbulence, and the entire political structural reform will advance relatively smoothly and healthily.

GONGREN RIBAO ON FREE POLITICAL DISCUSSION

HK250703 Beijing GONGREN RIBAO in Chinese 16 Sep 86 pp 1, 2

["Special Commentary" by Xu Wenhai [1776 2429 3189]: "Thoughts Resulting From Whether Political Questions Can Be Discussed"]

[Text] The problem of whether political questions can be discussed remained unresolved for about 20 to 30 years. Not long ago, Comrade Wan Li provided a positive answer to this question at a national symposium on soft science research work. This is a matter for rejoicing, and further progress will be made in China's democratic life from now on. however, why has this problem, which should not have been a problem at all, remained unresolved for as long as 20 to 30 years? We should draw a profound lesson from this so as to prevent the recurrence of similar problems in China.

That political questions cannot be discussed can probably be traced back to the six political criteria for differentiating between fragrant flowers and poisonous weeds. These political criteria set a precedent for distinguishing fragrant flowers from poisonous weeds merely according to differences of opinion in the academic and cultural fields as well as in the people's political life. As a result, many good comrades who merely held different views but had not committed any criminal offense were regarded as "poisonous weeds" and attacked as enemies. The injustices these comrades suffered went unredressed for a long time. In addition, the criteria had great flexibility but no standard distinction between right and wrong. With these criteria, anyone could render right as wrong and revolutionary as counterrevolutionary according to his understanding. Opinions which had nothing to do with politics could be directly or indirectly connected with the six criteria. Once a connection was made, you would not be able to explain yourself even if you had a thousand mouths. The majority of the several hundred thousand people throughout the country who made good suggestions were branded as "rightists" according to the six political criteria. The so-called counterrevolutionary revisionists and capitalist roaders during the 10-year catastrophe were the victims of the six political criteria.

These bloody facts made people believe that political questions could not be discussed. To prevent the recurrence of similar cases, it is necessary to resolutely discard once and for all the erroneous method of distinguishing ourselves from the enemy according to differences of opinion. Problems in the academic and cultural fields as well as problems concerning viewpoints should not be dealt with as crimes so long as they do not violate criminal law. This is our first lesson.

Some people think that if major political principles are allowed to be discussed at will, these principles will be polluted, their reputation will be harmed, bourgeois and revisionist ideas will spread unchecked, and the party and the state will be in danger. These misgivings are unnecessary.

In fact, people should be allowed to fully discuss these major principles because they are of great importance in our political life. The more thorough the discussion on these principles is, the more profound will be people's understanding, the more consciously they will observe these principles, and the deeper these principles will take root among the people. If these principles are placed in an inviolable position without allowing people to discuss them, people will only know how to follow them but will not know why they should follow them. As a result, they will not be able to resolutely observe these principles. What is more important is that the major principles we adhere to represent irrefutable truth. Truth does not fear criticism or doubts and becomes more explicit though debates. Why should we fear the masses' discussion on truth?

We have gained experiences and lessons, both positive and negative, since the 3d Plenary Session of the 11th CPC Central Committee. After that plenary session, the CPC Central Committee pointed out the necessity for adhering to the four basic principles on the one hand and encouraged the people throughout the country to fully air their views on problems concerning the four basic principles on the other. Over the past few years, the masses as well as specialists, academics, and well-known personages in various fields have aired different types of views on how to strengthen and improve party leadership, on how to rectify unhealthy practices, on how to perfect the socialist system, on how to carry forward the democratic style, and no how to strengthen the socialist legal system. They have also put forward sharp criticism concerning our work. In particular, many specialists have expressed their incisive views on how to develop Marxism by breaking through individual principles of Marxism. The CPC Central Committee welcomes their discussions. It accepts and puts into effect their correct views and regards wrong or improper suggestions as unavoidable in the course of discussion. As a result, a relaxed and harmonious political atmosphere has arisen, the people have taken the initiative in participating in political discussions, their wisdom and talents have been brought into better play, and the party's four basic principles have been combined with the people's political enthusiasm in such a good way that every point of the principles has obtained more vitality. On the other hand, however, as the after effects of curtailed political discussion have not been thoroughly removed, some people still take it as an unshakeable principle in differentiating between right and wrong in the academic and cultural fields as well as in the people's political life. Whenever these people use their "batons," "labels," and power to intimidate others, unrest and misgivings arise in varying degrees. Therefore, it is necessary to exercise open politics and oppose closed politics and to exercise the politics of the masses and oppose the politics of the minority. This is our second lesson.

Another mistake in our guiding principles is the opinion that believes that the views expressed in the course of letting a hundred flowers blossom and a hundred schools of thought contend are either of a proletarian or bourgeois nature: Those who agree with me are proletarians, and those who do not agree with me are bourgeois; if you agree with me today, you are proletarians today, and if you do not agree with me tomorrow, you are bourgeois tomorrow; and once you are enlisted in the bourgeois rank, you will become poisonous weeds, over which proletarian dictatorship will be exercised. As everyone is aware, in actual life, which includes life of the party, it is normal for people to have differences of opinion on certain problems, as their experiences and basic knowledge are different and they view problems from different angles. Differences of opinion will benefit us instead of hampering us in our endeavor for common targets. We should welcome people airing different views. Varying opinions indicate the prosperity of a country, whereas an apathetic atmosphere in which "ten thousand horses stand mute" suggests political failure. Considering comrades who hold different views as bourgeois is the beginning of this failure.

We should have this breadth of vision: Those who are in favor of socialism should be united and not treated as bad people, even though they may have various types of bourgeois ideas. We are opposed to the capitalist system and the bourgeois world outlook. But political, economic, and cultural achievements in capitalist society can be used for reference, with the exception of the dregs of this society. There is absolutely no need to turn pale at the mention of capitalism. Marxism is based on bourgeois classical philosophy, classical political economy, and utopian socialism. Are we now destined to be influenced by the negative factors of things bourgeois rather than absorb something useful from them? We should discard once and for all the habit of having faith merely in oneself and excluding everything foreign. This is our third lesson.

Although the erroneous ideas we have mentioned above do not occupy a dominant position in our life, they have not been thoroughly eliminated. In the course of democratization, we should be on guard against these erroneous ideas and should prevent them from hampering our progress.

RENMIN RIBAO ON ELIMINATING FEUDALIST VESTIGES

HK181140 Beijing RENMIN RIBAO in Chinese 12 Sep 86 p 5

[Article by Tian Jujian [3944 1446 0313]: "We Must Make In-Depth Analysis of Feudalist Vestiges" — first paragraph published in boldface]

[Text] As soon as the Chinese proletariat entered the historical arena. it was busy carrying out armed struggle to seize and consolidate state power. In those years of war, it was unable to make an overall, systematic, and thorough criticism of feudalist ideology; still less was it able to lead large numbers of peasants and other small producers in conducting self-education and eliminating the vestiges of feudalist ideology in their minds. After the founding of the state, due to mistakes in our appraisal and recognition of the national situation, the task of eliminating feudalist vestiges was not placed on the agenda of our daily work. Thus, feudalist vestiges remain a hidden danger for socialism even to this day. The most concentrated expressions of such vestiges are the small peasant concept and patriarchal ideology.

China is now in a new historical period of great reform and transition. On this vast and age-old land, the 1 billion Chinese are carrying out a reform of the economic structure in both the countryside and cities step by step and in a planned and orderly way, in order to build China into a socialist country with distinctive Chinese characteristics and full of vigor and vitality and in order to suit the development of the socialist commodity economy and push forward the overall reform in various fields, including the political, scientific and technological, educational, and cultural fields. Although this is a reform for self-improvement of the socialist system, not a revolution characterized by one class overthrowing another, it is as profound, complicated, and arduous as all previous revolutions. The reform carried out over the past few years has not only brought about a profound change in the economic life of our country, but has also brought about changes in the people's ideology, concept of value, mental state, way of thinking, and standard of conduct. Practice incontrovertibly proves that the change from the old system to the new is inevitably accompanied by the confrontation of old and new concepts. Of the various types of old concepts that obstruct the advance of reform, the most stubborn is the feudalist vestige, which has the greatest influence. In the economic field, this is reflected by phenomena such as the traditional idea of regarding personal loyalty as superior to profit, which restrains the development of commercial activities; production objectives that disregard overall and long-term interests; the state of closing up, which is characterized by separation between different departments or regions; the way of management characterized by merely using adminstrative measures to carry out management while neglecting the roles of economic levers and market regulation; the egalitarian principle of distribution, characterized by "everybody eating from the same big pot"; the conservative mentality characterized by satisfaction with the status quo and fear of reform and competition; and the trend of parochial arrogance and closing the country in external affairs. In the political field, it is reflected by phenomena such as overcentralization of power and patriarchal behavior; all kinds of privileges and the practice of abusing power to seek private interests; appointing people by favoritism to establish a network of relations; overstaffed organizations; putting on airs and practicing bureaucratism; the idea of social estate and the concept of attaching people to a certain social stratum; the tradition of rule by man, which is characterized by attaching greater importance to power than to the law and trampling on the legal system; and lacking the knowledge and habit of democratic life. There are profound historical reasons for the emergence of such defects in socialist China in the 1980's.

As everybody knows, our socialist society emerged from the womb of semifeudal and semicolonial society, which emerged from the previous feudal society. In the recorded history of China, the feudal society covered the longest period of time. In other words, China entered the period of socialism with a long umbilical cord of feudalism, leaping over the stage of capitalism. It is true that the feudal society has left the Chinese nation glorious and valuable legacies, but it has also left us heavy burdens of ignorance and backwardness. The old bourgeois democratic revolution led by Dr Sun Yat-sen overthrew the rule of the last emperor of the Qing Dynasty, putting an end to the feudal autocratic system which had ruled over China for more than 2,000 years and pounding at the feudalist ideology. However, since the basis of China's capitalist economy was very weak, the bourgeoisie, which was congenitally deficient in the political field, lacked the courage to sever relations with feudalism. Moreover, due to its low theoretical level, it was unable to completely and thoroughly eliminate the feudalist ideology. After several rounds of trials of strength with the feudalist ideology, it began to retreat. For this historical reason, this arduous task has fallen on the shoulders of the Chinese proletariat, represented by the CPC.

The CPC led the people throughout the country to fight bloody battles. In the 28 years of the new democratic revolution, the feudalist economic basis and the political system serving this basis were both eliminated.

However, as soon as the Chinese proletariat entered the historical arena, it was busy carrying out armed struggle in order to seize and consolidate state power. In these years of war it was unable to carry out an overall, systematic, and thorough criticism of feudalist ideology; still less was it able to lead the large numbers of peasants and other small producers who joined the struggle in the course of encircling the cities from the rural areas to carry out self-education and eliminate at the right time the vestiges of feudalist ideology in their minds. These peasants, who were in army uniform, had natural relations with the broad rural areas, which were the bases for feudalist ideology. Thus, feudalist ideology became a kind of traditional force and quietly entered the socialist era. After the founding of the PRC, through the land reform in the newly liberated areas and through implementing the new marriage law in both cities and the countryside, the CPC, which became the ruling party, conducted resolute and effective criticisms of feudalist ideology. However, these efforts were not protracted. Especially vigilance was not maintained against the corrosive roles of feudalist vestiges in the political, economic, ideological, and cultural fields and the task of eliminating feudalist vestiges was not placed on the agenda of work. After 1957, due to mistakes in analyzing and recognizing the national situation, the contradictions and struggles between the proletariat and the bourgeoisie and between socialism and capitalism were one-sidely emphasized and the danger of capitalist restoration and emergence of revisionism within the party were exaggerated. As a result, the seriousness of feudalist vestiges was neglected. They remain a major hidden danger today.

There are many expressions of feudalist vestiges, but the most concentrated are the small peasant concept and patriarchal ideology. The small peasant concept is an outcome of the small peasant economy. Since ancient times, China has been a country with agriculture as its main economic lifeline. With the collapse of the state ownership system (the nine squares system) of the slave society and the abolition of collective labor of the slaves, the form of separated management of land on the household basis and with the individual ownership of small land as a prerequisite became the economic basis of the feudal society. In the past more than 2,000 years, all peasants, whether land-holding peasants under the systems of state and village ownership or tenant peasants under the system of landlord ownership, worked under such conditions. They engaged in both agricultural and handicraft production, and their products were chiefly for consumption rather than for exchange.

The small peasant economy is based on old technology and outdated production methods. Always sticking to old ways, it refuses to adopt new technology and carry out reforms and is content with the existing state of affairs. In the book "Zhuang Zi: Heaven and Earth," there is a story about a vegetable grower who would rather "dig wells and get water" and "toil and moil for little achievements" than adopt advanced tools which can "save much labor and make greater achievements." This is a typical example of this ideology. From this we can find it not difficult to explain why farm tools invented during the warring states period more that 2,000 years ago, such as ploughs, are still widely used today in many areas.

The small peasant economy is characterized by separated and disorganized production on odd peices of land. "A small piece of land, a peasant, and a family; next to them are another small piece of land, another peasant, and another family." "Their ways of production do not make them associate with but separate from each other," "just like a sack of potatoes composed of separate potatoes." ("Selected Works of Marx and Engels," Vol 1, p 693) These small peasants are usually unwilling to leave their native land or change their work. They go out to work when the sun rises and return when it is dark.

In spring they till the land, in summer they weed the fields, in autumn they harvest, and in winter they store up grains. Year after year and generation after generation, they repeat this in efficient, slow, and simple reproduction and are ignorant and ill-informed, knowing nothing about the commodity economy. The poet Bai Juyi wrote a poem entitled "The Zhu and Chen Village" describing such a state of affairs.

By instinct, the small peasant economy restrains the development of commercial business. Since it is unable to resist commercial development and the great shock wave of usurious loans, it is entirely incompatible with the commodity economy. In Chinese history, whenever commercial capital and usury were active, what usually happened was that the land was annexed, the peasants went bankrupt, and the society was turbulent. For this reason, the rulers of all feudal dynasties attached great importance to agriculture, while restraining the development of commerce, and regarded personal loyalty as superior to profit. They regarded commerce as a dying business and merchants as people of the lowest social status, under scholars, peasants, and workers. They used every possible means to suppress and humiliate merchants, or even kill them. For example, in the Han Dynasty, it was stipulated that "the merchants cannot wear silk clothes and take vehicles and must pay heavy rent and taxes." ("The Records of History") and "the merchants are not allowed to become landowners and officials; those who violate this rule are to be punished." ("The Book of Han") Undoubtedly, these measures encouragee people to look down upon commodity production and foster all kinds of absurd concepts.

Another characteristic of the small peasant economy is shortsightness and fear of disorder to maintain stability. They believe in the doctrine of "not being afraid of insufficiency but of inequality" and are especially fond of and always stick to the egalitarian principle of distribution. The "heavenly land system," a revolutionary program worked out by the leaders of the Taiping Heavenly Kingdom, was a comprehensive expression of this egalitarian ideology of the small peasants in ancient China. It is obvious that the egalitarian principle of distribution they advocated -- "land, food, clothing, and money should all be shared equally so that there will be no inequality, no hunger, and no lack of warm clothes" -- was but an idle dream running counter to the law of social development. It cannot be realized in any stage of social development.

With a fragile foundation and weak and isolated strength, the small peasant economy isn't able to conquer and utilize natural resources or to resist natural calamities. "To the samll peasants, even when a cow dies, they will be unable to start reproduction again according to their original plan." ("Collected Works of Marx and Engels," Vol 25, p 678) If they encounter greater disasters such as flood, drought, famine, plague, and war, their miseries can be easily imagined. Being unable to withstand all kind of disasters, the small peasants often consider themselves weak and fail to see their own strength. They do not believe they can save themselves and always pin their destiny on their dominators. They allow other people to represent them and always hope a "savior" will bestow a favor on them. Therefore, they always place their hopes on certain "wise leaders and good officials" and "upright judges", and believe in "rule by man", which can decide everything with a word. They can easily accept the concept of deification. If anyone in real life becomes a "deity" in their minds, they will easily acknowledge the "deity's" supreme and absolute position. Thus, all kinds of feudalist things, such as the lifetime tenure system, the hereditary system, personality cult, making arbitrary decisions and taking preemptory actions, abusing one's power to seek private interests, currying favor with those in power, and taking bribes and bending the law, have appeared one after another, becoming spiritual shackles to demoralize the people.

Patriarchal ideology derives from the patriarchal system. Being a component part of the superstructure of the slave and feudal societies, the patriarchal system is a clan system deriving from the patriarchal system of the ancient patriarchal clan society, established for the purpose of regulating the internal relations of slaveowners and enslaving common people and slaves. This system, which is based on blood relationship and which covers up class relations by means of blood relations, was first established in the Shang Dynasty and perfected in the Zhou Dynasty. Together with the system of enslavement, they form an organizational system combining "family" and "state" into one. It fills the outer shell of the patriarchal clan, which is based on blood relations, with the content of dividing people into classes in accordance with their different social status and blood relations, and redistributes power and property among the slaveowner-nobles. After the spring and autumn period and the warring states period, with the dying out of the slave system and the rise of the feudal system, the clan system began to collapse. But the patriarchal system, which was based on blood relations and which divided people into different classes, was inherited by the landlord class. They used some traditions and habits of the slave society, such as the common family name, common directly-related ancestors, and common ancestral temples and tombs, to further perfect the patriarchal rule, making it an important part of the superstructure of the feudal society.

On the question of feudal clan power, Mao Zedong pointed out in his "Report on an Investigation of the Peasant Movement in Hunan" that it was a power exercised by "the clan system ranging from the central ancestral temple and its branch temples down to the head of the household." Ancestral temples were the axes of the activities to enhance relations among the numerous families and small and big clans on the basis of blood relationship. For this reason, the head of a clan was also called the head of a temple. Every clan had its own temples, including the central ancestral temple and branch temples. The former was the temple for the entire clan, while the latter were for various branches of the clan. Each family belonging to a certain branch also had a similar, but smaller, ancestral temple. Through such memorial activities, a well-organized feudal patriarchal clan system combining both blood relationship and social relationship was established. Every clan had a head, who was usually a local gentleman or landlord who had power and high prestige. The head of a clan was in charge of all important affairs of the clan, such as holding memorial ceremonies for the ancestors, compiling the book of geneology, and managing the clans' fields. He ruled over the entire clan by means of explaining and implementing the ancestors' teachings and family and clan rules and regulations. The patriarchal rule was usually mingled with the political power. In the countryside, local administrative officials were usually heads of clans. Since the patriarchal clan system played a very important role in maintaining feudal moral principles and the order of feudal rule, it was forcefully advocated and fostered by the rules of all the feudal dynasties of past years.

Man's social being determines his thinking. All the corrupt practices and ideas that have been polluting and poisoning our social life like plagues for several thousand years, such as practicing paternalism, benefiting one's own wife and children, appointing people by favoritism, promoting people by seniority alone, flattering high officials, setting up relationship sets, and practicing factionalism and sectarianism, have their sources in the patriarchal system.

The feudalist vestiges, including the small peasant concept and patriarchal ideology, are traditional ideas left over from the feudal society. This is an extremely bad force of habit. Engles pointed out: "The force of habit is a great obstruction. It is an inertia in history. But since it is a negative factor, it will surely be destroyed." ("Selected Works of Marx and Engles," Vol 3, p 402) The existing feudalist vestige in our country are also now facing this fate. However, it is by no means an easy job to thoroughly eliminate these vestiges. [paragraph continues]

It needs our long-term efforts. This is because ignorance and conservative ideology are always closely related to outdated and low productive forces. For this reason, the key to eliminating feudalist vestiges lies in greatly raising social productivity. At present, the most pressing task is to vigorously develop the socialist commodity economy and substitute it for the natural economy, which is characterized by self-sufficiency, so as to destroy the material basis of the feudalist vestiges. At the same time, it is also necessary to vigorously tap intellectual resources; speed up the development of education, science and technology, and cultural undertakings; perfect democratic and legal systems; and widen the field of vision and renew the concepts of the people, so as to conscientiously resist and eliminate the feudalist vestiges. In this respect, historians have special obligations. They must take analyzing profoundly the feudalist vestiges as an important task for their study and use scientific methods to study the developments of these vestiges, so as to make a sound criticism of their harmfulness today. Studying and criticizing the feudalist vestiges is itself a kind of solid and arduous theoretical work. It cannot be done with mere revolutionary enthusiasm and righteous indignation. Only when we make a historical and accurate analysis of the feudalist vestiges can we effectively eliminate their negative and reactive influence, and can the great power of science be displayed. If we only raise a hue and cry against them and "sweep away everything" in a big way, we can get no more results than "cutting flowing water with a knife." The "unprecedented" 10 years, the mass "movement" launched by Lin Biao and the "gang of four," the efforts to destroy the so-called "old ideas, old culture, old customs, and old habits" at the initial stage in order to usurp party and state leadership, and the practice of feudalist autocratic rule and the development from nihilism to the doctrine of returning to the ancient in the later period, are all examples of this. We should take warning from this historical lesson.

CPC SAYS TOTAL PARTY MEMBERSHIP NOW 44 MILLION

OW251249 Beijing XINHUA in English 1158 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) — New members admitted to the Chinese Communist Party since 1981 total 6.3 million, according to the organization department of the Chinese Communist Party Central Committee.

Total party membership is now 44 million up from 38 million in 1980.

In order to be considered for membership in the Chinese Communist Party citizens must first write an application to their local party authority. Later two recommendations from active party members must also be filed. The final decision on acceptance for membership will be decided by a committee which discusses each case individually.

Among the new recruits 1.4 million are technical professionals, while others are laborers working in the mainstream of production, an official from the department told XINHUA.

Of the 2,170 new party members from Heilongjiang Province 1,964 were either named outstanding students or won scholarships.

More than 70 of the new party members went to work after graduation in Tibet, Xinjiang Uygur Autonomous Region and Qinghai Province, where conditions are considered the most arduous in the country.

"The new members, brought up in the country's economic construction and reform, have improved the make-up of the party with well-educated younger professionals," the official said.

This has made the party more vigorous and raised the efficiency of party organizations at various levels, he added.

Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, once pointed out that "Chinese intellectuals have become a part of the working class of the country." "They are an indispensable factor in the country's modernization drive," he said.

Expanding earlier policies of admitting predominately workers, soldiers and peasants, party organizations at various levels are now making guarantees to admit more young professionals, the official concluded.

FIRMS DIRECTOR-RESPONSIBILITY SYSTEM TO EXPAND

OW201711 Beijing XINHUA in English 1551 GMT 20 Sep 86

[Text] Beijing, September 20 (XINHUA) -- China will soon issue three sets of regulations concerning the role of factory directors, party organizations and workers' congresses in state-owned industrial enterprises, a senior Chinese official disclosed here today.

The official of the State Economic Commission also said that the director-responsibility system will be tried out in more selected enterprises and the work will be guided and protected by the regulations to be issued. The commission is responsible for coordinating the development of the country's industries.

The responsibility system was first tried out in 1984 in 191 enterprises in Beijing, Tianjin, Shanghai, Dalian, Shenyang, Changzhou, and then in 27,700 across the mainland. It has expanded from industrial enterprises to those of transportation, building industry, commerce and foreign trade.

Under the new system, it will be up to the factory director and not to the party secretary to make decisions and to appoint and remove leading officials at various levels of the factory.

According to a survey of about 2,000 enterprises that have been trying out the system in the first six cities, 90 percent have achieved the anticipated results and the factory directors and party chiefs have been cooperating well.

Enterprise-management committees headed by directors have been set up in many factories to discuss major issues, together with the party organizations, the trade unions and the workers congresses. The committee also helps the director in his decision-making and helps him to know workers' opinions of management decisions.

LIAOWANG REVIEWS LABOR CONTRACT SYSTEM

HK241030 Beijing LIAOWANG in Chinese No 37, 15 Sep 86 pp 16-17

[Article by Zhang Dawei [1728 1129 3634] and Ling Wancheng [0109 1346 2052]: "What Has The Contract System Brought to the People?"]

[Text] The adoption of the labor contract system represents a major reform of the employment system in our country, and is an important matter concerning the future and destiny of our enterprises and workers.

In 1980, Guangdong Province began to reform the employment system, ahead of other parts of the country. In the beginning, the reform evoked many unfavorable comments and upset some people. The new employment system, which had not been seen since the founding of the People's Republic, indeed had a great impact on the enterprises, workers, labor management departments, and theoretical circles.

Now, 6 years have passed. What has the contract system brought to the people? These reporters recently investigated this in Guangdong and felt deeply that the labor and employment system reform had not only promoted production development and raised economic efficiency, but had also --

Radically Changed Employment Concepts Throughout Society [subhead]

Yin Shuoying is a worker at the Guangzhou Friendship Shop employed under the contract system. We asked her: "Do you think that you now have employment?" This 20-year-old girl proudly nodded and said: "Of course, I have employment." When we visited other enterprises in Guangdong and asked many contract workers similar questions, they all had similar answers. We felt that the implementation of the contract system in the past 6 years has dispelled people's misgivings about this new system, and the "iron rice bowl" is no longer the sole symbol of employment. The labor contract system has been gradually accepted by the people in Guangdong.

Of course, it was a complicated process to convince the people to accept the new employment system.

In the early 1980's, a new economic trend was gradually developing in the entire Zhujiang Delta area and had a strong impact on the old employment system, under which "workers are employed permanently according to a centralized recruitment plan, and manpower is managed in a rigid way." In some Chinese foreign joint ventures in the special economic zones, and in other localities of Guangdong, a new category of workers -- workers employed under the contract system -- appeared. The new employment system gave rise to much higher productivity than the traditional employment system. This new economic phenomenon attracted the close attention of economic circles in Guangdong Province. Some economists began to make in-depth investigations of the special economic zones and of enterprises that had adopted the employment contract system, and published a series of articles to recommend the system. At the same time, some people also expressed doubts and misgivings about this system, saying that this employment system only represents a capitalist-style employment relationship which treats the labor force as a commodity.

In early 1983, to help the reform of the employment system in the whole province, economists and people in various trades and enterprises in Guangdong carried out a large-scale discussion on the employment system reform through YANGCHENG WANBAO, NANFANG RIBAO, and the provincial and city radio and television broadcasts.

An article by the famous economist Zhuo Jiong expresses his opinion that the contract system recognizes the commodity nature of the labor force under socialist commodity economic conditions and that this system is a rational hiring system suited to the development of the commodity economy. Wide publicity in theoretical circles have provided spiritual food for the formation of a new concept of employment and has laid a sociopsychological foundation for employment system reform. This is something of which people in theoreticl circles in Guangdong can be proud. We visited Zhou Jiong at his home. He said in high spirits: "The labor force is the liveliest of the various production factors. It cannot be improved like soil, nor can it be tempered like steel. Only by scientific managerial methods can its role be brought into maximum play. In this connection, practice is the only criterion for judging truth."

Indeed, we felt during our interview that what is most convincing is the practice of employment system reform.

For those who are accustomed to "eating from the same big pot" and "using an iron rice bowl," it is terrible to work under the contract system because this system is, in their minds, unstable and unsafe. However, most people in Guangdong are of the opinion that the contract system allows enterprises to make a free choice of workers and allows workers to make a free choice of enterprises, encourages workers and make more contributions to the country, and helps realize their value. Contract workers in Guangdong enjoy high wages and good welfare. They can come and go freely and are provided with the opportunity to study further. Therefore Guangdong contract workers do not admire workers under the fixed employment system. Instead, many workers under the fixed employments system have resigned and gone to work in other enterprises as contract workers, happy to be able to choose their jobs as they like. Since they are happy, they work well. A survey reveals that contract workers in Guangdong have assumed the posts of factory director, manager, and group leader in many enterprises.

"Making long-term plans and signing short-term contracts" was another discovery we made on our visit to Guangdong. Chen Muyen, secretary of the training section of the personnel department at the Grand Hotel, told us: "A person need not work at a post for several decades. He should be allowed to have more opportunities to choose more suitable jobs. The contract workers we met during our visit have signed contracts with terms ranging from 3 to 5 years. In Shenzhen, we asked a young woman worker who began to work on the assembly line of the Jinghua electronics company not long ago: "If the factory wanted you to sign a 30-year contract would you sign it?" She immediately answered: "I would leave at once." She is now studying English and learning to type during her spare time with a view to moving to other enterprises. She is not willing to be an assembly worker for the rest of her life. This worker's idea is reflective of the contract workers' new ideological mode.

In some Guangzhou enterprises with high wages and good economic results, the labor turnover in the past 2 years has been very high and reached almost 50 percent in some of them. We can roughly classify them into three categories: 1) The turnoverr of those whose work is significantly professional in nature is large; for when workers move to other enterprises they can get promotions and higher wages; 2) some people find their current jobs are not what they are interested in; therefore they terminate the contracts with the enterprises and look for jobs elsewhere; 3) the contracts are terminated by the enterprises because the employees have seriously violated labor discipline. [paragraph continues]

The number of cases in which employees were dismissed by the enterprises mainly because they seriously violated labor discipline or committed crimes has been small. Jin Guoting, assistant manager of the personnel department of the Chinese Grand Hotel views this labor movement in his unique way. He held: "For the society as a whole, this labor movement increases the probability of each individual to become talented."

The relations between contract staff workers and their enterprises differ from the relations between staff workers and their enterprises in the past when, as soon as he had been employed by an enterprise a person was basically regarded as a permanent employee. These relations have now become restricted by employment contracts. For the enterprises also have the apprehension that their staff workers, in particular those who have special abilities, may resign. This to some extent puts pressure on them. During our survey, we saw that quite a few enterprises "cherish talented employees as if the life of the enterprise depended on them" and had taken many measures to keep "talented employees." A factory director said to us: "Movement of labor provides enterprises with the opportunity to choose talented people to employ and at the same time has caused us to encounter a challenge — our talented employees may leave us. This puts very heavy pressure on us. It requires that an enterprise not only have good economic results, but also be concerned about people and about the interests of all its staff and workers, and thus become attractive."

The reform of our labor and employment system puts pressure on and also acts as an impetus to both our enterprises and our staff workers.

"Work with all your might and play to your heart's content" was much in vogue among the youths in Guangdong in the past few years, but this reporter found in his recent survey that these words have become to some extent outdated now. In areas such as Guangzhou and Shenzhen, we found that bars, music lounges, dance halls, and other recreation centers were a little desolate. A young man who loves to dance said humorously to this reporter: "One cannot always dance. For enterprises do not give dance examinations when recruiting workers." He has "invested" several hundred yuan to study English at a night school.

The employment system of "recruiting workers from among the community and selecting good ones to employ" has aroused a "sense of self-crisis" among the youths in Guangdong. According to statistics, there are now over 7,900 professional and technical training courses in Guangzhou. They provide courses for over 20 professions. Over the past 6 years, over 300,000 people (most of them contract workers) have taken training for 3-6 months. At present, in the whole city, there are over 100,000 people who are taking various courses in their spare time.

We did not expect the contract system experiment would give rise to a hired hand mentality among our young people, in fact it has stimulated them to improve themselves. This is a deliberate, voluntary construction of spiritual civilization.

The reform in our labor and employment system has not only changed our enterprises' and staff workers concepts of employment, but also --

The Labor and Personnel Departments' Traditional Concept of Management Has Been Smashed [subhead]

Over the last 30 years or so, with the authority at hand, the labor and personnel departments have put labor and personnel work under unified management. [paragraph continues]

Management is relatively monotonous and things can be easily done since there are documents from the higher authorities to follow. Under these circumstances, saying things like "leading means serving" is like engaging in idle theorizing. The labor and personnel departments have now realized that numerous previous methods no longer work. Zhou Hua, deputy director of the provincial labor bureau, jokingly said: "Now buddhas can no longer share secured seats in their temples." From top to bottom, the labor and personnel departments in Guangdong Province have begun really effecting a pattern stressing management and service from that stressing administration and management.

Comrade Wu Wenziang at the planned labor department of the provincial labor bureau said: "Now our department has less power in our hands but we have more things to attend to." This is indeed a fact.

In the past when an enterprise or institution wanted to recruit workers, the labor bureau would just assign a mandatory quota to it. If the recruitment wes below or in excess of the quota, the bureau would make appropriate readjustments for it. Now bureau directors and cadres at the section and office levels are encouraged to frequent conduct investigators and studies at the enterprises and institutions under their jurisdiction. Investigations are held to ensure that the payroll is soundly linked up with their economic results. Moreover, they should set up special bodies and become "matchmakers" so as to give people every job opportunity.

In the past, the training of staff members and workers was left to education departments or enterprises and institutions. With the current introduction of the principle of giving training before employment, the labor and personnel departments are obliged to take up training themselves. At present such prefecture, city or county in Guangdong has formed an employment training network with labor departments at the core, education departments as the supportive force, and with the participation of enterprises, institutions and other social forces in running schools. The number of youths waiting for jobs, who were given pre-job training by Guangzhou City's labor departments, totaled 127,000. Smiling, Feng Dong, director of the city's labor bureau said to the reporters: "Now I have become 'Minister of Education.'"

In the past enterprises did not have the right to handle contradictions between enterprises and their staff memberss and workers and the labor departments which should have taken care of them did not so as expected. Now, in order to protect the legal status of staff members and workers and the legitimate rights and interests of enterprises, the labor departments should adjust the relationship between the individual, the director, and the enterprise and put someone in charge of the work.

Practical problems such as these have kept the labor departments too busy to catch their breath. The reform of the employment system will put the labor departments "on the stage" and enable them to begin to play "a leading role."

However, we sense that although the reform of the labor employment system has been carried out in Guangdong for 6 years, there are, after all, quite a few people who still have some doubts and misgivings about the reform. The reasons behind this state of affair lies in the fact that there are still problems cropping up in the implementation of the contract sytem rather than in their reluctance to give up traditional concepts.

Therefore, to really help them feel free from fear of disturbance from the rear, it is necessary to do the following things:

The Reform of Employment System Should Be Further Coordinated and Perfected [subhead]

-- If there is not a relevant reform of the wage system, the reform of the employment system would have to be abandoned halfway. As the large and medium-sized state-run enterprises in Guangdong Province still generally implement the traditional wage system, they have to adopt the method of "seeking uniformity" in recruiting the new contract workers. Namely, giving them a wage one grade higher than the permanent workers of the same rank. Therefore, in a certain sense, this is equal to the practive of everyone eating from the same big pot. While interviewing some permanent workers and contract workers, the reporters found a common appeal: Because the workers at the best age can make the best contribution, they should be given the best renumeration. The party secretary of the sintering plant of Guangdong Iron and Steel Complex told the reporters that "Our branch has 509 workers and staff, of which 184 are under the contract system. If we were given the power to make policy independently, our branch would completely change to the contract system and only need 400 workers and staff."

-- Both the legitimate status of the workers and staff under the labor contract system in enterprises and the legitimate rights and interests of enterprises should be urgently protected in terms of the legal system. In 1983, Guangdong Province enacted a draft law on labor contracts. However, as the whole country does not have a unified labor contract law, it so far remains a document rather than a law and is, in fact, ineffective. Some contradictions and disputes between the workers and staff under the contract system and enterprises have arisen and been filed to the labor and personnel departments for judgement. As there is no law governing a lot of specific issues, people contend with each other and do not believe in and listen to each other.

-- Different enterprises have different opinions on employment patterns. Some large and medium-sized enterprises in Guangdong (including the enterprises engaging in sophisticated technologies) maintain that a multiple employment pattern allowing the coexistence of permanent workers, contract workers and temporary workers should be developed. If the temporary workers perform well, they can be promoted to be contract workers; and if the contract workers perform well, they can be permanent workers. On the contrary, if they do not perform well, they can be demoted from permanent workers to contract workers or temporary workers or even dismissed. Nevertheless, the joint venture enterprises as well as the collective enterprises are willing to completely adopt the labor contract system, so as to improve management and avoid the phenomenon that permanent workers look superior to contract workers.

Besides, reforms in welfare, social insurance, job assignment, industrial injury and death treatment, other reforms of contract workers should also be improved.

NEW GROUP TO BOOST INTERIOR'S FOREIGN TRADE

OW260110 Beijing XINHUA in English 1732 GMT 25 Sep 86

[Text] Nanjing, September 25 (XINHUA) -- Foreign-trade companies along China's east-west trunk railway line today launched an association in a concerted effort to expand the region's economic and trade relations with the outside world.

The association -- the Longhai and Lanxin Association for the promotion of foreign Economic Relations and Trade -- was inaugurated in the port city of Lianyungang, Jiangsu Province, today. Its establishment is regarded as a result of the on-going reform to break down barriers caused by administrative divisions.

The first group of members are foreign-trade companies in major cities along the Longhai Railway line from Lianyungang and the Gansu provincial capital of Lanzhou, and the line between Lanzhou and the Xinjiang regional capital of Urumqi.

Among the cities are Xian, capital of Shaanxi Province, Zhengzhou, capital of Henan Province, and Yinchuan, capital of the Ningxia Hui Autonomous region, as well as Lanzhou and Lianyungang.

Lianyungang is one of the 14 coastal cities enjoying greater authority over foreign investment and trade. At the other end of the country, Horgos in Xinjiang has been opened as a post for Sino-Soviet trade.

The zone along the two railway lines covers parts of Jiangsu, Shandong, Anhui, Shanxi and Sichuan Provinces, as well as the whole of Henan, Shaanxi, Gansu and Qinghai provinces, and the Xinjiang and Ningxia regions.

The zone covers 3.6 million sq km, more than one third of China's land mass, and is inhabited by 220 million people, slightly less than one fourth of the country's total.

It is a major producer of coal, petroleum, grain, timber, animal by-products and aquatic products.

A railway is being built in northern Xinjiang to connect with a line in the Soviet Union. Its completion will make it possible to ship goods from the region to Western Europe.

Of the goods handed at Lianyungang Port, 74 percent come from the interior region, and authorities in Henan, Shaanxi and Anhui are raising money to build eight berths for 10,000 DWT ships there.

OFFICIAL SAYS JI PENGFEI NOT TO RETIRE IN 1987

Hong Kong Domestic Service in English 0500 GMT 19 Sep 86

[Text] A Chinese senior official, Mr Li Hou, has rejected a suggestion that the head of China's Hong Kong and Macao Affairs Office will retire next year. Mr Li, who is the deputy head of the office, said Mr Ji would not retire until the framework for the Basic Law has been worked out.

Speaking on whether direct elections will be introduced in Hong Kong, Mr Li told reporters that China would not support any changes which would damage Hong Kong's prosperity and stability. He said Hong Kong's future political system will be determined by the Basic Law.

SHANGHAI OFFICIAL SENTENCED FOR ECONOMIC CRIMES

HK240922 Hong Kong AFP in English 0904 GMT 24 Sep 86

[Text] Beijing, Sept 24 (AFP) -- A Shanghai cadre was sentenced to death, with a two-year suspension, for receiving more than 82,000 yuan [22,000 dollars] in bribes and other illegal dealings, a Shanghai newspaper reported Wednesday. Eleven other people were sentenced to terms of two years to life imprisonment for similar crimes, the newspaper WEN HUI BAO said.

Cai Baolin, deputy director of the television and radio service in Jiangsu Province, was handed the death sentence, suspended for two years, for receiving more than 22,000 dollars, including bribes and 13,000 yuan (3,500 dollars) siphoned directly from the company's funds, the newspaper said. Under Chinese law, such a suspension allows the person sentenced to escape capital punishment if his behavior in prison during the two years is judged to have been positive.

Of the other cases, four people were sentenced to life imprisonment while seven received two to 15-year terms, the newspaper said. Jing Zhongquian, deputy director of the Shanghai Construction Commission, found guilty of illegally receiving more than 27,000 yuan (7,300 dollars), was sentenced to two years, the newspaper said. It gave no details of the other cases.

China has been shaken by a wave of financial scandals in the past year, frequently implicating local Communist Party members. The authorities are waging a campaign against economic crime, and several death sentences have been handed down.

SHANGHAI TO BEGIN LIMITED STOCK TRADING

OW260058 Beijing XINHUA in English 1728 GMT 25 Sep 86

[Text] Shanghai, September 25 (XINHUA) -- Trading of stocks is to begin tomorrow on a limited scale at the short-term money market run by the Shanghai Branch of the Industrial and Commercial Bank of China.

The business will be handled by the Shanghai Investment and Trust Company, a subsidiary of the Industrial and Commercial Bank of China, on behalf of two companies -- the Shanghai Acoustics Equipment Producing Company and the Yanzhong Industrial Company Ltd.

The two companies issued stocks in 1984 and 1985. The former issued 500,000 yuan (125,000 U.S. dollars) and the latter, five million yuan (1,250,000 U.S. dollars). Each share is worth 50 yuan.

Shareholders will trade their stocks freely on the market according to the prices quoted and pay a certain amount of commission after transactions are concluded.

The Shanghai short-term fund market was set up less than a month ago. It is now handling interbank loans and rediscounting of bills.

Li Xiangrui, president of the Shanghai Branch of the People's Bank of China, said that the conditions are not ripe for a city-wide stock exchange or other long-term fund markets. The limited stock trading may serve as a trial balloon, which will stimulate enterprises to institute the stock system and pave the way for establishing a stock exchange in the city.

Up to the present, there are more than 700 Shanghai factories which have issued stocks totalling more than 100 million yuan.

GUANGXI OFFICIAL TO BE EXECUTED FOR CORRUPTION

HK260424 Nanning Guangxi Regional Service in Mandarin 1100 GMT 25 Sep 86

[Text] On the morning of 25 September, the Wuzhou Prefecture Intermediate People's Court held a pronouncement meeting in Hexian County to sentence to death Huang Yuhui, former deputy secretary of the Hexian County party committee who committee corruption and accepted bribes, and to deprive him of political rights for his whole life.

From September to December 1984, Huang Yuhui concurrently held the post of general manager of the Hexian County Joint Development and Trading Company. On 15 October 1984, he embezzled 4,500 yuan from the company's public funds to buy cars. The same day, Huang Yuhui and (Zhu Zhibing) and (Xie Shirong), deputy managers of the company, embezzled 10,950 yuan, the remainder of the bonus money issued to staff by the company, and he personally received 3,650 yuan. In illegally buying and selling foreign exchange quotas from the company in December 1984, Huang Yuhui, by taking advantage of his position and in collusion with other 3 persons including (Jiang Zhijin) and (Zhong Shikuan), embezzled some 170,000 yuan of public funds. Huang personally got 87,000 yuan. In addition, in illegally buying and selling foreign exchange quotas from the company in early November 1984, he and 3 other persons including (Zhu Zhibing) and (Xie Shirong) accepted bribes of 9,000 yuan from those who bought foreign exchange.

In the above activities, Huang Yuhui, by taking advantage of his post and in collusion with others, embezzled over 190,000 yuan of public funds and accepted bribes of 9,000 yuan. Huang personally embezzled 95,150 yuan and accepted bribes of 3,000 yuan.

The fact that Huang Yuhui, as a leading cadre, embezzled public funds in collusion with others and took advantage of his post constitutes a serious economic crime. He has seriously violated party discipline and state laws. The Wuzhou Prefecture Intermediate People's Court openly tried this case in Wuzhou from 6 to 9 May 1986. It convicted Huang Yuhui of committing corruption and accepting bribes, sentenced him to death and deprived him of his political rights for life according to the law. Huang Yuhui refused to accept the ruling and lodged an appeal. The Guangxi Regional Higher People's Court held a second trial and the final judgement overruled his appeal and maintained the judgment. It also reported the case to the Supreme People's Court for review. With the approval of the Supreme People's Court, Huang Yuhui was sentenced to death and deprived of his political rights for life. Other criminals were also sentenced to imprisonment.

That Huang Yuhui and other criminals were severely punished according to the law has evoked strong repercussions among cadres and the masses. Many people believed that the judgment of this major case indicates that everybody has to answer to the law and shows the seriousness of the socialist law. If we seriously deal with major and important cases, it will be possible for us to bring about a basic turn for the better in party style and the general social mood.

Execution Confirmed

HK260428 Nanning Guangxi Regional Service in Mandarin 1100 GMT 25 Sep 86

[Text] At a news conference this afternoon, the regional Higher People's Court announced that Huang Yuhui, former deputy secretary of the Hexian County party committee, was sentenced to death for corruption and accepting bribes and deprived of his political rights for life by the Wuzhou Prefectural Intermediate People's Court. The criminal was executed at 1008 today.

A spokesman for the regional Higher People's Court said that defendant Huang Yuhui committed corruption and accepted bribes and that the amount of corruption and bribes was extremely large and the case was extremely serious. In accordance with Article 155, Section 1 of Article 185, Article 23, Section 1 of Article 53, and Article 64 of the PRC Criminal Law and Section 2 of Clause 1 of the Decision of the NPC Standing Committee on Severe Punishment of Serious Economic Criminals, the defendant was sentenced to death and deprived of his political rights for life. After the first trial and judgment, the regional Higher People's Court conducted the second trial and final judgment. With the approval of the Supreme People's Court, the defendant was executed.

(Tang Anbang), vice president of the regional Higher People's court, presided over the news conference.

XINHUA Commentator's Article

OW260220 Beijing XINHUA Domestic Service in Chinese 1604 GMT 25 Sep 86

[Commentator's article: "Eliminate the Borers" -- carried by 26 September RENMIN RIBAO]

[Text] Beijing, 25 Sep (XINHUA) -- Embezzler Huang Yuhui has been executed, but how he degenerated from a deputy secretary of a county party committee to a felon embezzling enormous amounts of state money remains a question worth pondering.

Our state policies for reform, opening to the outside world, and enlivening the domestic economy are all for the sake of developing the socialist economy, liberating society's productive forces, and improving the people's material and cultural life. Our policies encourage and support some people to become affluent ahead of others by honest work and legitimate means. As for Communist Party members, particularly party cadres, they should first of all consider how to guide the masses in performing their duties to build a strong country with affluent people. Obsessed with the desire for personal gains however, Huang Yuhui abused his authority and forgot everything about party objectives and a party member's responsibilities. To reap colossal profits, he unscrupulously engaged in foreign exchange speculation and accepted bribes. When he became increasingly richer with ill-gotten wealth, he also became increasingly bogged down and sank deeper in the quagmire of sin.

Disregarding party discipline and state laws, Huang Yuhui even blatantly stated that he would "make enough money while in office." Do such people still behave in the least like a communist cadre? Precisely because this idea of his went out of control, he soon degenerated from being a party cadre into an arch embezzler. Thus, it is natural that we should eliminate borers like Huang Yuhui who undermine economic construction, and we should punish them according to law.

Huang Yuhui's degeneration once again reminds us of these requirements: We must intensify educating party members to keep firmly in mind the party's objective of serving the people wholeheartedly; we must also adopt effective measures to enforce party discipline and the legal system and must never allow anyone to abuse their authority for personal gains or take advantage of opportunities in reform, opening to the outside world, and enlivening the domestic economy. We will never tolerate party members who think they are free from the control of party regulations. Anyone who dares to defy the law must be punished according to law so that the solemnity of party discipline and state laws can be maintained and so that policies of reform, opening to the outside world, and enlivening to domestic economy can be implemented smoothly.

GUANGXI TO DRAW SUPPORT FROM GUANGDONG

HK260147 Nanning Guangxi Regional Service in Mandarin 1100 GMT 24 Sep 86

[Text] According to a report by RENMIN RIBAO reporter Zheng Shengfeng, in the course of economic contacts, Guangxi, which had for many years remained on guard and erected a passive defense against Guangdong, has now resoundingly put forward the slogan "Draw Support From Guangdong To Invigorate Guangxi," and has actively translated this into practice. This is the result of Guangxi abandoning the small peasant economy concept and replacing it with the modern vision of opening up.

In May this year, Guangxi Regional CPC Committee Secretary Chen Huiguang led a team to carry out investigations in Guangdong. Chen and his party held talks with Guangdong Provincial CPC Committee Secretary Lin Ruo, Governor Ye Xuanping, and prefectures and cities concerned on strengthening Guangxi-Guangdong lateral economic ties and other issues. The two sides strongly felt that Guangxi and Guangdong should closely link hands and engage in cooperation in a variety of fields.

Guangxi has strong points in resources and energy Its development prospects are excellent. Guangdong has strong points in talent, technology, capital, and information, and its commodity economy is well developed. Guangdong's products can enter southwest China through Guangxi, and Guangxi's products can enter Hong Kong and Macao through Guangdong. There is great economic and strategic significance in mutual ties. This common understanding has now been written into the Guangxi-Guangdong agreement on establishing long-term and stable economic and technological cooperation ties.

In addition, the Guangxi investigation group also understood the importance of finding a master to learn from. to invigorate its economy, Guangxi should take a positive attitude and boldly find Guangdong partners for joint efforts. This meant resolutely doing away with the policy of not allowing people past the threshold, eliminating the small peasant fear of suffering loss, renovating concepts, being skilled in making friends, and daring to engage in competition.

After returning to Guangxi, Chen Huiguang vigorously propagated this view on various occasions. He stressed that Guangxi should apply Guangdong's spirit of working creatively to develop lateral ties with Guangdong.

In the middle and last 10 days of September, at Guangxi's invitation, Guangzhou City Mayor Zhu Senlin led a delegation to carry out investigations and discuss ties in Guangxi. Before the Guangzhou delegates arrived, Guangxi sent them a list of 198 projects for discussion. In less than 2 weeks, replies were received on every one of them. The Guangzhou side held that discussions could be held on 133 of the projects.

Guangxi's drawing of support from Guangdong is not limited to the economic field. The organization, discipline inspection, taxation, auditing, and other departments have recently also been sending investigation groups to Guangdong. The all-round drawing of support from Guangdong to invigorate Guangxi helps not only to enliven the economy and but also to build spiritual civilization.

GUANGZHOU THEOLOGICAL SEMINARY REOPENS

OW260026 Beijing XINHUA in English 1649 GMT 25 Sep 86

[Text] Guangzhou, September 25 (XINHUA) -- A theological seminary in Guangzhou, capital of south China's Guangdong Province, reopened today after being closed for 27 years.

More than 400 churchgoers attended a thanksgiving service and the school's opening ceremony.

Liang Fuhuan, president of the Guangdong Christian Council, was elected as president of the school, and Pastor Xiong Zhenpei, chairman of the Guangdong Three-Self (self-administration, self-support and self-propagation) Patriotic Committee of the Protestant Churches of China was elected chairman of the board of directors.

Thirty-four students, selected from four county churches, also attended the ceremony and began classes today. They will go back to their churches after two years.

The Guangzhou United Protestant Theological Seminary, located in the eastern part of the city, was established in 1934 and suspended in 1959.

LI XIMING ATTENDS BEIJING SCIENCE CONGRESS

SK250919 Beijing BEIJING RIBAO in Chinese 15 Sep 86 p 1

[Excerpts] The third congress of the Beijing Municipal Scientific and Technological Association concluded successfully on 14 September, fulfilling its scheduled tasks satisfactorily.

Present at the closing ceremony were Li Ximing, Jiao Ruoyu, Zhang Mingyi, Li Qiyan, Wang Jialiu, Wang Lixing, Lu Yucheng, An Chaojun, Zhang Jianmin, Fan Jin and Chen Mingshao. Gao Zhenyu, vice chairman and secretary of the leading party group of the China Scientific and Technological Association, and Pei Lisheng, honorary member of the China Scientific and Technological Association, were also present to extend congratulations.

Li Ximing, secretary of the municipal party committee, spoke at the ceremony, He extended congratulations for the success of the congress on behalf of the municipal party committee and government. He pointed out: Scientific and technological associations are homes for scientific and technical workers, and powerful organizations for uniting the scientific and technological circles to work together. Only when knowledge and talented people are respected, and a good situation is created in which people of talent come forth in large numbers and are turned to best account can we be rich, strong and prosperous, and vitalize China. We should draw on the "leftist" lessons, strive to eliminate sectarian bias and such harmful trends as scholars scorning each other, people being jeolous of others who are able and virtuous, and suppressing different views. Leading cadres should be democratic and broad-minded, and see to it that human resources are turned to best account. Leading departments at all levels should actively support the work of scientific and technological assoiations, and provide necessary conditions for them and other societies to carry out their activities. [passage omitted]

The congress elected the third committee of municipal scientific and technlogical association, decided on the chairman and vice chairmen, and adopted the report on the work of the second committee.

The congress also unanimously agreed to invite Mao Yisheng to serve as honorary chairman of the Municipal Scientific and Technological Association, and Comrades Wang Shuzhuang, Tian Fu, Sun Hong, Shen Keqi, Zhang Guanghou, Chen Shengwu, Fan Jizhou, Jin Oubu, Xu Jianping, Qian Weichang and Tan Zhuang as honorary members. [passage omitted].

Scientific Advantages Viewed

SK260036 Beijing BEIJING RIBAO in Chinese 15 Sep 86 p 1

[Commentator's article: "We Must Not Suffer From Hunger When There Is a Pancake Nearby"]

[Excerpts] The third congress of the Beijing Muncipal Scientific and Technological Association has successfully concluded. We warmly hail the congress' complete success.

A prominent problem in which the capital fails to give rein to its scientific and technological advantages exists at present. The "third congress" concentrated its discussion on this problem. We deeply believe that the congress will vigorously promote the utilization of the capital's scientific and technological advantages.

When compared to the fraternal provinces and municipalities, our municipality has the greatest advantage of having talented and intelligent persons of various categories. There are 562 scientific research units and more than 70 institutions of higher learning in the Beijing area. These units and institutions possess more than 100,000 scientific research personnel, accounting for 18.4 percent of the nation's total scientific research personnel. Of this, a large number of higher-level specialists have been concentrated in the units of the central authorities and institutions of higher learning. Many fraternal provinces and municipalities have enthusiastically made efforts to use Beijing's scientific and technological advantages, while considerably large numbers of departments, units, and large and medium-sized enterprises throughout the municipality have not done so. Some units have even refused to apply the technological findings which had been delivered to their doorstep. According to statistics released by a technological service and departments in the municipality, of the total scientific and technological groups whose possessions were transferred in the first half of this year, 50 percent were purchased by Jiangsu and Guangdong Provinces, and only 5 percent were purchased by enterprises in the municipality. We must change the situation of "standing by a pancake while suffering from hunger." Thus, leaders at all levels, all trades and professions, enterprises and establishments should regard the work of giving rein to the capital's scientific and technological advantages as a strategic task, formulate specific plans and measures for giving rein to these advantages, and strive to truly take the path of relying on scientific and technological progress to promote the development of economic construction and all undertakings.

In order to give rein to the capital's scientific and technological advantages, we should persist in reform, smash the barriers between different regions and between different departments, and adopt various forms to vigorously promote lateral cooperation between scientific research and teaching units and production enterprises. [passage omitted]

In order to give rein to the capital's scientific and technological advantages, we should conscientiously bring into full play the functions of the municipal Scientific and Technological Association and its societies. The capital has five major scientific and technological forces, such as the Academy of Sciences of China; the Commission of Science, Technology, and Industry for National Defense; all central departments and commissions; institutions of higher learning, and local scientific and technological forces. The Municipal Scientific and Technological Association and its societies are the only ones with the ability to organize these five major forces. Today, the municipality has 126 municipal-level societies and research societies. These societies, equipped with comprehensive and specialized branches, possess a group of noted, higher-level specialists. Over the past few years, the Municipal Scientific and Technological Association and its society have done a great deal of work to organize forces to make the most of the capital's scientific and technological advantages, and have gained rich experiences. We hope that from now on, the Municipal Scientific and Technological Association and its societies will continue to initiatively and creatively make the most of the capital's scientific and technological advantages, and that leaders at all levels and all production enterprises deeply understand the tremendous functions and capabilities of the association and its societies, and enthusiastically strive to gain their assistance. Only when the two fields make concerted efforts can the vast number of production enterprises and the capital's five major scientific and technological forces be linked together sooner and be organized into gigantic forces to accelerate the development of economic construction and all undertakings.

It has been 6 years since the "second congress' of the Municipal Scientific and Technological Association was held in June 1980. Just like the other fronts, the capital's scientific and technological circles have made great changes and have scored great achievements.

HEBEI CONGRESS STANDING COMMITTEE MEETING OPENS

SK251201 Shijiazhuang HEBEI RIBAO in Chinese 14 Sep 86 p 1

[Text] The 22d Standing Committee meeting of the 6th provincial People's Congress opened in Shijiazhuang this morning.

The main items on the agenda are to study the relevant central documents, to relay Chairman Peng Zhen's speech given at the National People's Congress Standing Committee work conference, to discuss the "draft regulations for managing Hebei Province's local coal mines," and to hear reports given by the provincial government on the implementaiton of the 1986 natonal economic and social development plan during the January-August period, and on the implementation of the 1986 fiscal budget during the January-August period.

Today's meeting was presided over by Sun Guozhi, chairman of the provincial People's Congress Standing Committee.

Also attending the meeting were Wu Qingcheng, Guo Zhi, Yue Zongtai, Zhang Zhenchuan, Liu Ying, Zhang Kerang, Wang Yu, Han Qimin, and Wang Youhui, vice chairmen of the provincial People's Congress Standing Committee.

Hong Yi and Song Shuhua, vice governors; Liu Zhiqi, chief procurator of the provincial People's Procuratorate; Wang Yugong, vice president of the provincial People's Court; and the responsible persons of the various departments and commissions of the provincial People's Congress Standing Committee, the relevant departments of the provincial government, and the People's Congress Standing Committees of nine cities under the jurisdiction of the provincial government attended the meeting as observers.

This meeting will last for 4 days.

SHANXI LEADERS ATTEND LAWS STUDIES LECTURE

HK260529 Taiyuan SHANXI RIBAO in Chinese 9 Sep 86 p 1

[Report by He Jianhua [6320 1696 5478] and Li Jianrong [2621 1696 2837]: "Leaders Attend Lecture on Laws Delivered by Professor"]

[Text] On the afternoon of 6 September, at the Mei Shan Conference Hall, which is surrounded by lawns and canna trees, the responsible comrades of the six major provincial leading bodies gathered to listen to a lecture on laws delivered by Sun Guohua, an associate professor of the Department of Law at China People's University.

Before the lecture began, Secretary Li Ligong of the provincial party committee made some introductory remarks, saying: The central leading comrades have repeatedly told us that it is necessary to give the whole party, the whole army, and, in particular, the leading cadres, an education about the legal system. Regarding this, the province's six major provincial leading bodies have taken an initial step. Three law studies courses have been organized with remarkable success for leading cadres of organs, offices, and bureaus directly under various provincial departments, who attended the courses by turns. Starting in September, we will, by imitating the law studies forums organized by the Secretariat of the CPC Central Committee for central leading comrades, organize a law studies class for the six major provincial leading bodies each month, in order to deepen the education about the legal system and to facilitate the four modernizations. Today, we have specially invited Associate Professor Sun Guohua, who has lectured to central leading comrades, to deliver the first lecture.

Associate Professor Sun Guohua had made a special trip from Beijing. Full of vigor, he spoke calmly and unhurriedly. His lecture was entitled "On the Theories About the Functions and Use of Laws." He began by discussing the basic definitions of democracy and legal systems. And then he went on to elaborate on the questions of what is society and what is regulation by social and legal means. He paid special attention to discussing the problem of the nature, use, and functions of laws. On those controversial issues that have attracted the attention of people whose work is related to law, he expressed his opinions by making comparisons and in-depth analyses.

Associated Professor Sun spoke for 3 hours without a break. The members of the Standing Committee of the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC, and the provincial Discipline Inspection Commission all sat properly and seriously and carefully listened and took notes like dutiful students. When the lecture was over, those who were present applauded to express their appreciation.

GANSU FACES 'GRIM' SITUATION IN FAMILY PLANNING

HK250337 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 24 Sep 86

[Text] During the Sixth 5-Year Plan, the province scored great achievements in family planning work. But we have just entered a new period in which the number of women of childbearing age sharply increases. Our family planning work during the Seventh 5-Year Plan will therefore be more arduous. The focal point of our future work will still be on the rural areas. This is the unanimous view of the participants of a forum held yesterday by the provincial Family Planning Commission.

On the eve of the 6th anniversary of the publication of the CPC Central Committee's open letter to all party and CYL members on controlling the population growth, the provincial Family Planning Commission convened a forum for responsible people of some units in Lanzhou area. The participants held that the province effectively controlled the growth rate of population during the Sixth 5-Year Plan. But the peak period of having many women at childbearing age was the coming decade.

According to the analysis, if each couple give birth to a child during the Seventh 5-Year Plan, the population will still be increased by more than 280,000 per year. The annual growth rate will be above 18 per thousand. The situation that we face is therefore very grim. Consequently, we must strive to firmly grasp the family planning work.

Some units and areas also summed up their good experiences. In particular, counties which were once less advanced in the work later carried it out very well. On the basis of strictly enforcing the regulations, our next step is to publicize the experience of the advanced units, and to launch a long-term propaganda campaign in the rural areas, so as to strive for practical results in family planning work.

XINJIANG TO RESETTLE DEMOBILIZED SOLDIERS

HK250509 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 24 Sep 86

[Text] This year, the region will make arrangements for settling some 1,300 demobilized Army cadres. This is the most arduous task of settling demobilized soldiers in the past 10 years.

In order to do well in this year's work of settling these cadres, the regional office for settling demobilized soldiers, as well as Xinjiang Military District's departments concerned, have held training classes in the Urumqi, Kashi, Hami, and Shihizi areas since late March this year for over 1,000 demobilized Army cadres who would be transferred to other trades in counties.

Today, the region held a meeting on settling the demobilized Army cadres. The meeting urged the departments concerned to support the work and make concerted efforts, so as to do better in this year's work of settling demobilized Army cadres.

Huang Bozhang, vice chairman and leader of the regional team for settling demobilized Army cadres, delivered a speech at the meeting.

ARTICLE ANTICIPATES TAIWAN REJOINING ASIAD

HK250809 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 24 Sep 86

[Article by Kai Wen [0418 2429]: "Looking Forward to Taiwan's Early Return to the Asiad"]

[Text] Hong Kong, 24 Sep (ZHONGGUO TONGXUN SHE) — The 10th Asian Games are now being held in Seoul. It is being attended by 4,800 athletes from 27 countries and areas, the largest gathering in the history of the games.

It is a pity that no Taiwan athletes are participating in this grand sports meet. This is unfair to Taiwan sportsmen who have scored good achievements in the previous Asian Games.

Since withdrawing from membership in the Asiad, Taiwan has missed four Asian Games. People still remember that 2 years ago Taiwan's Olympic Committee rejoined the International Olympic Committee under the name "China — Taipei," and took part in the 23d Olympic Games that same year in Los Angeles. It is reported that Taiwan has applied to renew its Asiad membership, but as it insists on using its own flag and national anthem in many international contests, Asiad cannot give approval for restoration of its membership.

Recently, there has been a favorable turn in the Taiwan membership restoration issue within Asiad. Hsu Heng, a member of Taiwan's International Olympic Committee who is currently attending an Asiad meeting in Seoul, recently gave a press interview, in which he said that Taiwan was willing to rejoin Asiad and observe the International Olympic Committee's regulations regarding Taiwan's name, flag and national anthem. This attitude expressed by Hsu Heng will undoubtedly facilitate a smooth solution to Taiwan's Asiad membership problem. It is reported that the Beijing representative has already expressed the view that if Taiwan observed the International Olympic Committee's regulations, Beijing would support Taiwan's return to the Asiad.

However, Hsu Heng has not further clarified whether or not they would send a team to attend the next Asian Games in Beijing, after Taiwan rejoined the Asiad.

In fact, since the Los Angeles Olympics, sportsmen on both sides of the Taiway Straits have had increasingly more opportunities to participate in the same international contests simultaneously. The men's baseball, and women's baseball and basketball, teams have met often and thus have not only exchanged skills but also deepened their mutual understanding. People are pleased to see that sportsmen on both sides of the Straits may fight side by side, exchange skills, jointly achieve good sports results and thus win honor for the Chinese nation in the next Asian Games.

JAILING OF TAIWAN POLITICAL FIGURE CRITICIZED

OW241033 Beijing XINUUA Domestic Service in Chinese 1455 GMT 23 Sep 86

[Text] Beijing, 23 Sep (XINHUA) — A spokesman for the All-China Federation of Taiwan Compatriots said today that the federation is concerned about the jail sentences passed on Lin Zhengjie and other nonpartisan political figures in Taiwan.

The spokesman for the All-China Federation of Taiwan Compatriots pointed out: Nonpartisan Taibei City "Councillor" Lin Zhengjie was sentenced to jail by the Taiwan authorities for violating the "Law of Election and Recall" and libeling a rival candidate in a city council election. This stirred up tension in the political situation in Taiwan. Despite the police interference, tens of thousands of citizens attended a meeting to bid farewell to Lin Zhengjie before he was to serve his prison sentence. On 14 September, 4,000 people took to the streets to stage a demonstration. Well-known Taiwan scholars including Hu Fu, Li Hongxi, Yang Guoshu, Lu Yali, Zhang Zongdong, and Wen Chong also invited Lin Zhengjie to farewell luncheon and protested the improper handling of Lin's case by the Taiwan authorities. Prior to Lin's case, Chen Shuibian, Huang Tianfu, Zheng Nanrong, Li Yiyang and other nonpartisan figures had been sentenced to jail by the Taiwan authorities, arousing protests and dissatisfaction among people in Taiwan.

The All-China Federation of Taiwan Compatriots showed great concern for the nonpartisan figures who had been arrested and suppressed by the Taiwan authorities for fighting for the Taiwan people's democratic rights. It solemnly called on the Taiwan authorities to change their policy of suppressing the people of Taiwan an to pay due respect to the Taiwan people's democratic rights.

BRITISH MINISTER COMMENTS ON VIETNAMESE REFUGEES

HK250454 Hong Kong SOUTH CHINA MORNING POST in English 25 Sep 86 p 1

[By Simon Macklin]

[Text] The British minister in charge of refugees who find their way to British territory believes the best solution to the problem may be to send them back where they came from.

Mr David Waddington of the Home Office saw life as it is for Vietnamese refugees during a tour of four camps in Hong Kong yesterday.

He said that, as the minister entrusted with the future wellbeing of refugees in Britain and its territories, he had wanted to see conditions in the camps in Hong Kong for himself.

Mr Waddington said after his tour he believes the best solution is repatriation and he called for renewed negotiations with the countries the people had fled.

He said while repatriation was not viable at present, the countries examining their problems should keep repatriation as a major aim.

Mr Waddington said repatriation would have to wait until the "compassionate countries" who had accepted the refugees were convinced that they would not be persecuted if they returned to the countries they came from.

He was speaking at the Chimawan closed camp on Lantau, which holds more than 2,500 Vietnamese refugees.

He was greeted with an enthusiastic reception by some of the camp inmates, with Boy Scouts and Girl Guides — from packs operating inside the wire perimeters — providing the guard of honour.

Mr Waddington toured the camp's facilities and visited some of the dormitories, classrooms and workshops.

"I cannot see how in the long term we can cope in the world as a whole with the massive movement of population from one country to another," he said after the tour.

The United Kingdom accepted an extra 500 refugees last year, Mr Waddington said, and is under pressure to take more from other countries as well as Vietnam.

DOMESTIC EXPORTS REGISTER BIG GROWTH RATE

HK260347 Hong Kong SOUTH CHINA MORNING POST in English 26 Sep 86 p 1

[Text] Hong Kong is booming.

Provisional figures released yesterday by the Census and Statistics Department show the value of domestic exports last month at $14.8 billion, up 23.5 percent compared with August last year — the greatest growth registered since exports first embarked on their upward journey in March.

Re-exports, which are products traded through Hong Kong without undergoing any manufacturing process in the territory, also turned in an impressive performance, rising in value by 20.7 per cent to $10.6 billion -- making growth of total exports last month, valued at $25.4 billion, 22.3 percent higher than in the same month last year.

After the 22 percent year-on-year growth in domestic exports reported in March, the rate of growth slowed to still hefty figures of 17.5 percent in April and about 14 percent in May and June.

But a dramatic resurgence began in July, when the figure jumped to 23.3 percent.

At that time, economists reckoned Hong Kong's gross domestic product this year could grow well beyond the Government's official forecast of 4.5 percent.

The government had based its GDP forecast on an expected 7.5 percent rise in real terms in exports for the whole year.

By the end of July, exports had already blossomed by 10 percent, owing to the second quarter surge.

That surge, combined with continued low inflation and buoyant consumer spending is what prompted Financial Secretary Piers Jabobs last week to revise the Government's official estimate of GDP growth to 5.6 percent.

Even before news of Hong Kong's performance last month came, economists were quick to call Mr Jacob's revised figure conservative, with six percent growth considered a more realistic figure.

Now, however, GDP growth surpassing six percent is no longer relegated to the realm of wishful thinking.

"Everything that is needed for continued growth is in place," said one analyst yesterday.

"Manufacturers are investing in new machinery, consumers are spending more because they've got more money in their pockets and the problems of overstocking and protectionist threats that last year hurt exports to Hong Kong's major overseas markets have dissipated."

Even more encouraging, export prices have changed little this year, in turn suggesting that real growth in exports, which includes adjustments for inflation, could well maintain a double-digit figure.

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DENG XIAOPING MEETS THIRD WORLD ACADEMY HEAD

OW231136 Beijing XINHUA in English 1112 GMT 23 Sep 86

[Text] Beijing, September 23 (XINHUA) -- Chinese leader Deng Xiaoping said here today that China is willing to contribute to the promotion of the scientific and technological development of the Third World.

Deng made these remarks at a meeting with Abdus Salam, a nobel prize winner and president of the Third World Academy of Sciences.

Salam invited Deng to attend the second meeting of his academy to be convened next year in Beijing. Deng agreed, adding that he is willing to meet scholars from Third World countries.

Deng appreciated the efforts made by Third World countries in scientific and technological exchange and in sharing the results of cooperation. "As a developing country, China will never forget her poor friends in the Third World and never be bent solely on profit and benefit herself at the expense of others. That is our basic line," he stressed.

Salam called it "a vital policy declaration full of affection from one's heart."

Professor Salam, a Pakistani, is one of the noted international activists in the Third World who once won the Nobel Physics Prize. He initiated and established the Third World Academy of Sciences with other well-known scholars of physics in the world in 1983 and was elected president.

Salam is also director of the International Center of Theoretical Physics. He has visited China four times since 1965.

He presided over the opening ceremony of the Asia college for Microprocessors in Hefei, Anhui Province, the day before yesterday. He was also conferred the title of honorary doctor by the Chinese University of Science and Technology.

Professor Salam spoke highly of the encouraging progress China made in its sciences in the recent years, adding that the progress has laid a solid foundation for the further development.

Deng said, since China has carried out the economic structure reform, 90 percent of the rural areas have got rid of proverty and the people's life is getting better.

Deng quoted the peasants as saying that the improvement of the people's living standards was a result of the policy and science.

Hence, the productive forces cannot develop without science, including education which is still a weak point in China at present, he added.

State Councillor Fang Yi and President of the Chinese Academy of Sciences Lu Jiaxi attended the meeting.

WU XUEQIAN HOLDS ADDITIONAL MEETINGS AT UN

OW251800 Beijing XINHUA in English 1502 GMT 25 Sep 86

[Text] United Nations, September 24 (XINHUA) -- The Chinese and Polish foreign ministers agreed here today that the upcoming visit to China by Polish leader Wojciech Jaruzelski will give a new impetus to the development of friendship and cooperation between the two countries.

Chinese Foreign Minister Wu Xueqian and Polish Foreign Minister Marian Orzechowski met for talks here today.

Foreign Minister Wu, who is also state councillor, also met for talks with his counterparts from other countries, including Spain, Somalia and Australia, and the chief of the Political Section of the Palestine Liberation Organization (PLO) on separate occasions.

During the friendly talks, they exchanged views on closer bilateral relations and international issues of common concern.

Talking with Faruq Qaddumi, chief of the PLO's Political Section, Wu reiterated China's consistent policy of supporting the just cause of the Arab and Palestinian peoples.

The current situation in the Middle East is one of complexity, Wu said. He hoped that the PLO, when confronted with its archenemy, would give priority to the overall situation in the Arab region and strengthen unity both within the PLO and with Arab countries so as to frustrate the Israeli policy of aggression and expansion.

Qaddumi informed Wu of the current situation in the Middle East and the latest developments in Lebanon in particular.

The Somalian foreign minister said that Chinese President Li Xiannian's visit earlier this year to his country has pushed the Somali-Chinese relations to a new stage. He told Wu that the Somali people are watching closely the ongoing economic reforms in China. The success of the reform, he added, will be of important significance not only to China itself but also to many other developing countries.

Wu is here to attend the 14th Special U.N. Session on Namibia and the 41st Session of the U.N. General Assembly. During his stay here, Wu met with his counterparts from more than 30 countries. He is leaving here for home tomorrow morning.

USSR TO OPEN CONSULATE GENERAL IN SHANGHAI

OW271209 Tokyo KYODO in English 1204 GMT 27 Sep 86

[Text] Shanghai, Sept. 27 KYODO -- The Soviet Union will open a consulate general in Shanghai in early November, Chinese sources here said. Two communist and nine noncommunist countries already have consulates in Shanghai.

RECEPTION IN MOSCOW MARKS PRC NATIONAL DAY

OW270504 Beijing XINHUA in English 0240 GMT 27 Sep 86

[Text] Moscow, September 26 (XINHUA) -- The Union of Society for Friendship and Cultural Relations With Foreign Countries and the Soviet-Chinese Friendship Society today held a reception to celebrate China's 37th National Day.

Addressing the reception, Chairman of the Soviet-Chinese Friendship Society Sergey Tikhvinskiy said that the Soviet people are pleased with the Chinese people's great achievement in the development of national economy, science and culture as well as in raising the people's living standards since 1949 when the People's Republic of China was founded.

The Soviet people fully support the policy of restoring good-neighbouring relations and of developing cooperation between the two countries, Tikhvinskiy said.

Soviet players gave excellent performances at the reception.

Soviet Vice Minister of Foreign Affairs Igor Rogachev and Chinese Ambassador to the Soviet Union Li Zewang atended the reception.

RENMIN RIBAO VIEWS SOVIET-ISRAELI TALKS

HK290634 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Sep 86 p 4

["World Affairs" column by Sai Bei [1049 0554]: "On Soviet-Israeli Talks"]

[Text] Soviet Foreign Minister Shevardnadze and Israeli Prime Minister Peres recently held talks in New York on the normalization of relations between the two countries. After the meeting, neither side revealed the contents of their talks. The Soviet Union severed its diplomatic relations with Israel in 1967 after Israel launched the war of aggression against Arab countries.

Before the recent meeting, the Soviet Union and Israel held talks in Helsinki on the two countries' consular relations. The results of these talks have not been revealed either.

Meanwhile, the Soviet Union also sent senior officials to visit some Arab countries in the Middle East; while Israel announced at a meeting with the United States that the Soviet Union must first restore diplomatic relations with Israel if it wants to participate in the international conference on the Palestine issue.

It seems that something special is brewing in the Middle East.

The core of the Middle East issue is the Palestine issue. The fact that it is so hard to solve this issue is closely related to the two superpowers' contention over this region. The United States supports Israel and is trying to pursue its own scheme for dealing with the Palestine issue by excluding the Soviet Union and its influence from the Middle East. On the other hand, the Soviet Union is trying hard to restore its influence in the Middle East and to prevent the United States from dominating things in this strategic region. The proposed international conference will provide a good opportunity for the Soviets to achieve this purpose, so Moscow has gone all out to support the holding of such a conference. However, the United States is not interested in a conference in which the Soviet Union can participate and shows a frigid attitude. Israel does not welcome the conference either, but it is taking full advantage of the different intentions of the two superpowers to seek its own gains. In making these contacts with Israel, the Soviet Union has worries, fearing that this may cause aversion among Arab countries; and Israel also fears that this "oriole" may be scared away if too much publicity is given to contacts. Therefore, both the Soviet Union and Israel are very careful in dealing with the two rounds of talks, which is like walking on thin ice, and have adopted a "no comment" approach to the outside world. This may be the only message to "leak" from the two rounds of Soviet-Israel talks.

It is still hard to say whether the international conference on the Palestine issue will be held or not, because it depends on many complicated factors. Moreover, Peres will soon give his power to Shamir, and Shamir is very likely to adopt another approach to this affair. It is likely the settlement of the Middle East issue will continue to drag on under the deadlocked confrontation of the two superpowers.

JARUZELSKI CONTINUES OFFICIAL VISIT TO DPRK

Kim Il-song Hosts Banquet

OW261009 Beijing XINHUA in English 0832 GMT 26 Sep 86

[Text] Pyongyang, September 25 (XINHUA) -- Korean leader Kim Il-song said here tonight that he was very satisfied with the sustained development of the Korean-Polish relations of friendship and cooperation.

Kim made the remarks at a banquet he gave in honor of a visiting Polish party and government delegation led by Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and president of the Council of State of the Polish People's Republic.

Kim, general secretary of the Central Committee of the Workers' Party and president of the Democratic People's Republic of Korea (DPRK), said Jaruzelski' current visit to Korea will certainly make contribution to the further development of the cooperative relations between the two countries.

Jaruzelski said at the banquet that the cooperation between the two countries has been strengthened in the political, economic and cultural fields, the relations between the two parties developed and brisk exchange realized in various fields including youth organizations.

"We hope that the possibilities of cooperation between us will be used more satisfactorily and the current visit and the decisions, which will be jointly adopted, be effectively conducive to cooperation between us," he said.

Jaruzelski said, "We consider that the proposal for Korea's reunification and the 10-point political program for the unified state put forward at the Sixth Congress of the Workers' Party of Korea are just and constructive."

According to the KOREAN CENTRAL NEWS AGENCY (KCNA) -- the two leaders held talks in "a comradely and friendly atmosphere," and "reached complete identity" on matters discussed.

The Polish party and state delegation arrived here on September 24 for an official goodwill visit at the invitation of President Kim Il-song.

Rally Welcomes Jaruzelski

OW272259 Beijing XINHUA in English 1901 GMT 27 Sep 86

[Text] Pyongyang, September 27 (XINHUA) -- The most urgent task for mankind at present is to prevent nuclear war and safeguard world peace, Kim Il-song, president of the Democratic People's Republic of Korea (DPRK), said today.

Addressing a mass rally for welcoming visiting Polish leader Wojciech Jaruzelski, the DPRK president urged the halt of the arms race, thorough destruction of armaments, and the gradual expansion of nuclear-free peace zones.

Kim said that the DPRK has made efforts to ease tension and maintain peace in the Korean peninsula and to realize national reunification through dialogue.

In his speech, Jaruzelski expressed Poland's support of the DPRK's proposal for the withdrawal of U.S. troops from South Korea, turning the Armistice Agreement of 1953 into a peace treaty, declaring non-aggression by North and South Korea and extending dialogue between the two sides.

The Polish delegation headed by Jaruzelski arrived Wednesday for a four-day visit.

DPRK-Polish Joint Communique

OW281702 Beijing XINHUA in English 1634 GMT 28 Sep 86

[Text] Pyongyang, September 28 (XINHUA) -- A joint press communique issued by the Democratic People's Republic of Korea and Poland here today calls for cessation of arms race, particularly of nuclear arms, and complete elimination of armaments.

The communique was released today at the end of the visit to this country by Wojciech Jaruzelski, president of the Council of State of the Polish People's Republic. The two countries, said the communique, have identical views on basic international problems.

Poland firmly supports the Korean Government's proposal to reunify the Korean nation by founding a Democratic Confederal Republic of Koryo under the prerequisite of the withdrawal of U.S. troops from South Korea, the communique said. Poland is all for the proposal of jointly holding the 24th Olympic Games scheduled for 1988 by the northern and southern parts of Korea, it added.

The Polish leader, the communique said, has invited Kim Il-song, president of the Democratic People's Republic of Korea, to visit his country. The invitation was readily accepted.

A declaration asigned by the two leaders was also announced today, which said the two countries will exchange their experience in economic construction, hold regular consultations on international issues and cooperate closely in the world arena.

Jaruzelski left for Beijng, China, today after his four-day Korean visit, during which two rounds of talks were held between the two leaders. In their talks, the two leaders briefed each other one the situation of his own country and they showed much concern on the issues related to the consolidation of peace and international security. They also touched on development of bilateral relations.

JAPANESE ECONOMIC DELEGATION VISITS PRC

Meets Tian Jiyun

OW262226 Beijing XINHUA in English 1656 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- Vice-Premier Tian Jiyun said here today that Sino-Japanese relations have entered a new stage, so the two countries should further discuss how to expand bilateral cooperation and remove any obstacles in the way forward.

Tian made the remark at a meeting with a Japanese delegation from the Japan-China Association for Economy and Trade led by Eshiro Saito as its senior advisor and Ryoichi Kawai as its leader.

Tian said that problems exist in the field of investment in China because of the limited level of its economic development and management, and the quality of economic leadership and the legal system. "China will take an active and conscientious approach to the solution of the problems and improve the investment environment," he said.

He was confident that Sino-Japanese cooperation would continue to develop smoothly so long as China carries out its open policy for a long time to come, Sino-Japanese cooperation is effective and both sides are willing to improve their work for cooperation.

The Chinese vice-premier held that, with common efforts by the two sides, there are broad prospects for cooperation between the two countries.

Saito said that Japan and China should work in close cooperation in the economic field. "We should never allow one side to profit and the other side to lose in Japan-China cooperation," he said.

He told Tian that a committee on expanding China-Japan trade had been set up earlier this month in Japan with members from various financial circles, to promote bilateral trade and economic cooperation.

After the meeting, the delegation gave a reception at the Great Hall of the People. Tian Jiyun, State Councillor Gu Mu and leading members of governmental departments concerned attended.

Deng Xiaoping Meets Saito

OW271832 Beijing XINHUA Domestic Service in Chinese 1250 GMT 27 Sep 86

[By reporter Feng Xiuju]

[Text] Beijing, 27 Sep (XINHUA) -- Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, said: If the volume of Sino-Japanese trade accounted for 25 percent of Japan's total foreign trade volume, it would benefit China and bring no harm to Japan. He made this remark when he met with a Japanese delegation from the Japan-China Association for Economy and Trade. In 1985, trade with China was reported to account for 6.2 percent of Japan's total foreign trade.

Deng Xiaoping said: Sino-Japanese economic cooperation is a long-term issue. The two countries enjoy exceptional advantages being neighbors. He pointed out: "China and Japan rely on each other and this aspect of their relationship may become more obvious in the next century. Actually, China is short of what Japan has and vice versa." He said: China remains underdeveloped. Therefore, China hopes that Japan could help serve its own long-term interests if it helps China become more developed. It is conducive to Japan also.

Deng Xiaoping said: There is a fear that China will become Japan's major competitor after China becomes better developed. Such a fear is unfounded. If trade between China and Japan develops, it will benefit both countries. Deng Xiaoping told the delegation's senior advisor Eishiro Saito and its leader Ryoichi Kawai: "From a long-term point of view, Japan needs another big trading partner in the world and the potential one is China."

Deng Xiaoping said: China is now short of funds while Japan cannot find outlets for its funds. He hoped that Japan would cooperate with China on various levels. He emphatically pointed out: The growth of bilateral economic ties will help promote expansion of the two countries' political relations and relations between their people.

During the meeting, Deng Xiaoping reiterated that China is continuing its policy of opening to the outside world. The task China is now facing is how to open, not to close. He said: The policy of opening to the outside world which China is now implementing will not change. No one can change it, because China's current policy wins the support of the people, and more and more people benefit from the open policy.

Eishiro Saito said: Members of the Japanese delegation are impressed with China's rapid economic progress and its stable situation. He said: During the visit, the two sides had discussed how to solve the trade imbalance between the two countries and they have reached a consensus on expanding bilateral trade and economic ties in the future.

The meeting, which lasted more than half an hour, was held in a happy and relaxed atmosphere. At the beginning of the meeting, Eishiro Saito told Deng Xiaoping that Yoshihiro Inayama, honorary chairman of the Japan-China Association for Economy and Trade, was unable to visit China as scheduled because he sprained his back muscles while playing golf. Deng Xiaoping asked Eishiro Saito to convey his regards to Yoshihiro Inayama and wished him a speedy recovery. He held that in selecting a sport for physical exercise, it would be better to select a sport with little risk. He said that there are two things he likes: Swimming and playing bridge. Swimming has some risks, while there is no risk in playing bridge. He broke into hearty laughter when he said that. All those present at the meeting also smiled.

During the meeting, Deng Xiaoping also described how he met with Toshio Doko, former chairman of the Japan-China Association for Economy and Trade, when he previously visited Japan. He said that when he visited Japan in 1978, he had asked Toshio Doko what China should start with in construction. At that time, Toshio Doko said from his experience that it was necessary to proceed from energy, communications, and information. Deng Xiaoping also asked Eishiro Saito to convey his regards to 90-year old Toshio Doko.

Among those present were Jia Shi, president of the China Council for the Promotion of International Trade, and Japanese Ambassador to China Yosuke Nakae.

KYODO Report

OW270655 Tokyo KYODO in English 0647 GMT 27 Sep 86

[Text] Beijing, Sept. 27 KYODO -- Chinese senior leader Deng Xiaoping called Saturday for Japanese cooperation in introducing various types of funds, including loans, from abroad.

Deng made the request when he conferred with members of a Japanese economic mission, including Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), and Ryoichi Kawai, Chairman Komatsu Ltd., a leading construction machinery maker, and also chairman of the Japan-China Association on Economy and Trade.

Saito quoted Deng after the meeting as saying that China needs a large amount of construction funds and that he hopes to obtain Japan's cooperation in this field. Touching on a new Chinese policy to encourage foreign investment, scheduled to be announced early in October, Deng told the mission members that he would like to hear Japanese views on it, Saito said. If there is any problem, China is ready to change the policy in a way satisfactory to both Japan and China, Saito quoted Deng as saying.

Saito told reporters that he will convey Japanese opinions to Deng when details of the new Chinese policy are made known.

Chinese senior State Councillor Gu Mu told the mission Friday night that China will announce the new policy early next month. Gu was quoted as stating that China is prepared to offer tax, land and wage incentives to foreign companies which hold high-tech expertise, contribute to an increase in China's foreign currency reserves and have plans to reinvest profits in China.

Komatsu Chairman Kawai, the mission leader, said his association will study its strategy for future Japanese investment in China after the formal announcement of the new Chinese policy.

The mission left here for home Saturday afternoon after winding up a six-day visit to China.

WRITERS DELEGATION LEAVES MPR AFTER 14-DAY VISIT

OW280922 Beijing XINHUA in English 0801 GMT 28 Sep 86

[Text] Ulaanbaatar, September 28 (XINHUA) -- A Chinese writers' delegation, headed by the well-known writer Malaqinfu, left here for home today after a 14-day friendly visit.

The visit constituted the first contact between the two countries' writers in the past 20 years.

During its visit, the delegation was received by chairman of the Mongolian Writers' Union D. Tsedeb and his deputy Garmaa. The two sides expressed willingness to further promote contacts between writers of the two countries.

During the tour, Malaqinfu and three other Chinese writers also met Mongolian writers and visited pasture areas.

Malaqinfu, member of the Presidium of the Chinese Workers' Association, had visited Mongolia early in the 1950s.

ITALIAN ARMY CHIEF OF STAFF HONORED AT BANQUET

OW262141 Beijing XINHUA in English 1601 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a banquet here this evening to welcome General Luigi Poli, chief of the Italian Army staff, his wife and their party.

Speaking at the banquet, both Xu and Poli wished for further development of the friendly cooperation between the armed forces of the two countries.

Earlier today, Xu presided over a ceremony to welcome Poli and his party, who arrived here yesterday at the invitation of the Chinese Ministry of National Defense.

Yang Dezhi Meets General

OW271326 Beijing XINHUA in English 1245 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's liberation Army, met and gave a dinner in honor of General Luigi Poli, chief of the Italian Army Staff, his wife and their party here this evening.

DEFENSE MINISTER ZHANG AIPING ENDS UK TOUR

OW252050 Beijing XINHUA in English 1922 GMT 25 Sep 86

[Text] London, September 25 (XINHUA) -- Chinese Defense Minister Zhang Aiping and British Defense Secretary George Younger reaffirmed today, that they will promote cooperation between the two countries and their armed forces.

In the farewell talks with George Younger held at the British Ministry of Defense this morning, Zhang and his host both said the eight-day visit to Britain was a success,

During his visit, the Chinese minister and his British counterpart talked about Sino-British defense technology and procurement cooperation on a mutually beneficial basis.

The defense minister also had talks Monday at 10 Downing Street with British Prime Minister Mrs. Thatcher on the contemporary international situation, world peace and other issues.

He also met with British Foreign Secretary Sir Geoffrey Howe Thursday last week.

Also present on today's occasion were Chinese Ambassador to the United Kingdom Hu Dingyi and his Defense Attache Du Kuanyi.

Zhang left here this afternoon for Beijing.

Returns From West Europe

OW261924 Beijing XINHUA in English 1502 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- Zhang Aiping, Chinese state councillor and minister of national defense, returned here from London this afternoon after a visit to Italy and Britain.

Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army, was among those greeting him at the airport.

BRITISH PARLIAMENTARY GROUP CONTINUES VISIT

CPPCC Committee Fetes Visitors

OW252036 Beijing XINHUA in English 1654 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- The National Committee of the Chinese People's Political Consultative Conference gave a banquet here tonight for the delegation from the British Parliamentary and Scientific Committee led by its Chairman Trevor Skeet. Vice-Chairman of the host committee Zhou Peiyuan presided over the banquet.

Among those present were officials of relevant Chinese departments and noted Chinese scientists, including Lu Ping, Pei Lisheng and Qian Weichang, as well as British Ambassador to China Richard Evans.

British Return Reception

OW262110 Beijing XINHUA in English 1516 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- A delegation from the British Parliamentary and Scientific Committee led by its Chairman Trevor Skeet gave a return reception here tonight.

Among those present were Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, as well as British Ambassador to China Sir Richard Evans and Lady Evans.

Yan Jici Meets Group

OW270718 Beijing XINHUA in English 0654 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) -- Yan Jici, vice-chairman of the Chinese National People's Congress Standing Committee, met a delegation from the British Parliamentary and Scientific Committee led by its Chairman Trevor Skeet here this morning. After the meeting, the delegation and the Sub-Committee of the National Committee of the Chinese People's Political Consultative Conference signed a joint statement on friendship and cooperation between the British committee and the host sub-committee.

NETHERLANDS, FRENCH ENVOYS PRESENT CREDENTIALS

OW290829 Beijing XINHUA in English 0803 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- The New Netherlands Ambassador to China Roland van den Berg and the new French Ambassador to China Michel Gonbal presented credentials to Chinese Vice-President Ulanhu on separate occasions in the Great Hall of the People here today.

Both ambassadors arrived here September 20.

CORRECTION TO DEFICIT WITH FRG CAUSING CONCERN

The following correction pertains to the item headlined "Trade Deficit With FRG Causing Concern," published in the 25 September China DAILY REPORT, pages G 1-2, paragraph thirteen, line two:

...trade. German companies had expressed interest in buying more non-ferrous metals from China. (changing word "and" to "had" and removing editorial notation)

POLAND'S JARUZELSKI BEGINS PRC LEG OF ASIA TOUR

Arrives From DPRK

OW280654 Beijing XINHUA in English 0640 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) -- Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the State Council of the Polish People's Republic, arrived here from Pyongyang by special plane at noon time today for a working visit to China at the invitation of the Chinese Government.

He is the first top Polish leader to have visited China in more than 20 years. He is expected to exchange views with Chinese leaders on further developing Sino-Polish relations and international issues of mutual interest.

He was greeted at the airport by Wu Xueqian, state councillor and minister of foreign affairs, Yu Hongen, Chinese chairman of the Sino-Polish committee for cooperation between the two governments in economy, trade, science and technology and minister of coal industry, and Polish Ambassador to China Zbigniew Dembowski. Chinese and Polish children presented him with flowers.

Accompanying Jaruzelski on the visit are more than 50 leading members of the party and government departments including Jozef Czyrek, member of the Political Bureau and secretary of the Polish United Workers' Party Central Committee, Czeslaw Kiszczk, member of the Political Bureau of the party Central Committee and minister of internal affairs, and Zbigniew Szalajda, vice-chairman of the Council of Ministers.

Talks With Zhao Ziyang

OW281717 Beijing XINHUA in English 1644 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) -- Premier Zhao Ziyang told the visiting Polish top leader Wojciech Jaruzelski here this evening that mutual respect politically and equality and mutual benefit economically are the principles governing the development of Sino-Polish friendly relations and such relations would be full of vitality.

Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the State Council of the Polish People's Republic, arrived here earlier today.

Zhao said, relations between China and Poland have made distinct progress in recent years with increasing exchange of visits and visits between higher ranks. This indicated that the relations between the two countries have entered a new stage, he added.

Zhao called Jaruzelski's visit, the first from top Polish leaders in more than 20 years, "a great event in the history of the two countries' relations." As socialist countries, he said, China and Poland are undertaking their national construction in line with their respective conditions and working for safeguarding world peace.

"China is willing to develop cooperation with Poland in all fields," he noted.

Jaruzelski stressed that they had attached great importance to the current China visit, adding that it was of vital importance in developing the Sino-Polish relations. "We also hope that the current visit will be fruitful," he added.

Recent years has witnessed rapid expansion of cooperation between China and Poland. The total trade volume reached 1,500 million SF [swiss francs] in 1985 compared with 480 million in 1979, the Polish leader noted.

He hoped for further cooperation with China in science and technology, culture and education as well as in other fields.

Briefing the domestic situation of Poland, and he said, Poland have resumed stability and the national economy has grown and the national income registered an annual increase of 5 percent.

Zhao congratulated the Polish Government on the achievements scored in civil and foreign affairs, adding that China respects the Polish domestic and foreign policies.

[Beijing XINHUA Domestic Service in Chinese at 1542 GMT on 28 September in its report on the meeting between Jaruzelski and Zhao Ziyang at this point adds:

He said: We wish the Polish people greater success on the road of advancement. (adding additional material)]

Zhao and Jaruzelski also discussed reforms now going on in China and Poland. Zhao said China had attached great importance to Poland's experiences in reform.

On behalf of Zibigniew Messner, chairman of the Council of Ministers, and himself, Jaruzelski invited Premier Zhao to visit Poland and Zhao accepted the invitation with pleasure.

Wu Xueqian, Czyrek Speak

OW281904 Beijing XINHUA in English 1851 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) — State Councillor and Minister of Foreign Minister of Foreign Affairs Wu Xueqian met here today Jozef Czyrek, member of the Political Bureau and secretary of the Polish United Workers' Party Central Committee.

They exchanged views on bilateral relations.

The two sides expressed the hope that contacts at any level between the two countries will be further strengthened.

Zhao Ziyang Hosts Banquet

OW281933 Beijing XINHUA in English 1903 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) -- Premier Zhao Ziyang said here tonight that the top Polish leader Wojciech Jaruzelski's current visit would "become an important milestone in the history of development of the Sino-Polish relations."

Zhao made these remarks at a banquet he hosted in honor of the Polish leader, who arrived here earlier today.

"The visit, which has restored the contact between the highest ranks of the two countries, would surely make vital contributions to the mutual understanding and friendship of the two countries and the two peoples," Zhao noted in his toast.

Jaruzelski is the first top Polish leader to have visited China in more than 20 years.

Zhao said there has been a profound and traditional friendship between the people of China and Poland. Recent years have witnessed rapid restoration and expansion of the relations between the two countries which is based on mutual respect and equality and mutual benefit.

The Chinese people have always paid great attention to every achievement scored by the Polish people in their socialist construction, Zhao said.

Though Poland met some difficulties a few years ago, the Central Committee of the Polish party and government stabilized the domestic situation relatively quickly and gradually restored and expanded the national economy by adopting a series of effective measures and by relying on people's forces, he said.

Zhao congratulated on the achievements scored by the Polish people under the leadership of the Polish party and government headed by Jaruzelski.

Zhao told the guests that the just finished Sixth Plenary Session of the 12th Chinese Communist Party Central Committee has adopted a resolution on strengthening the cultural and ideological advance of socialist society, which, he added, is of far-reaching significance in building China a socialist country with Chinese characteristics.

Jaruzelski said his talk with Zhao earlier today has set a high value on the cooperation of the two countries at the present stage and demonstrated the two sides' determination to expand and speed up the cooperation.

Poland values her relations with China and hopes to develop it and the Polish people are following with great interest China's modernization program, Jaruzelski said. "We are also following with satisfaction the efforts China has made in improving and developing relations with other socialist countries," he added.

He said, "We still bear in mind the sympathy and support China rendered to us when we were in difficulties, including economic help in recent years."

He said, the resumption of summit dialogues between Poland and China and the agreements to be signed by the two countries will have great significance in developing bilateral relations in various fields and in coordinate actions for peace and progress on the international stage.

Speaking of domestic situation, Jaruzelski said that Poland has resumed and consolidated the normal situation and is steadily carrying out the socialist reform.

He said, "We interpret the socialist reform as strengthening the contacts between the party and the working class, as getting rid of those old and invalid things, especially as expanding the socialist democracy and making rapid progress in scientific techniques and improving management and steadily carrying out the law of economic efficiency."

[Beijing XINHUA Domestic Service in Chinese at 1650 GMT on 28 September carries a report on the banquet speeches by Zhao Ziyang and Jaruzelski. The XINHUA Chinese report has been compared with the above XINHUA English report, revealing the following variations:

Paragraph nine, from the last line reads: with Chinese characteristics.

He said: "Under the leadership of our party Central Committee and the government, the Chinese people are struggling to build our country into a highly democratic and highly civilized modern socialist power." (adding additional paragraph)

Paragraph eleven, from last line of paragraph reads: countries," he added. "In Polish-Chinese relations, we have always valued the desire for mutual respect and understanding." (adding sentence)

Last paragraph, from last line reads: of economic efficiency."

Attending the banquet were Polish party and government leaders who came to China accompanying Jaruzelski, as well as responsible persons of relevant departments.

Wu Xueqian, Yu Hongen, and Qian Yongchang were also present. (adding additional paragraphs)]

Jaruzelski Toast Cited

LD282232 Warsaw PAP in English 1927 GMT 28 Sep 86

["Wojciech Jaruzelski's Toast in Beijing" -- PAP headline]

[Text] Beijing, Sept. 28 -- Esteemed Premier Zhao Ziyang, esteemed Chinese comrades.

I am glad it has come to this visit. We set big store by it. On behalf of the supreme authorities of the Polish People's Republic I would like to convey words of esteem and cordial greetings to the leadership of the People's Republic of China, to the working people, to the entire great community of your country building socialism.

The Polish-Chinese friendship and cooperation have got long and rich traditions. The issue of mutual respect and sympathy has never been broken.

Today's talks fully corroborate the high assessment of the present state of our cooperation and mutual resolve and expand and dynamize it.

The Polish nation, with its dramatically difficult history and rich experiences of the struggles for independence and social justice, has got special reasons to cherish profound respect and recognition for your commendable traditions and the present-day accomplishments.

Accept the best of the wishes for full implementation of the long-ranging plans, for providing a high rate and level of the development of your great country.

We have not shunned errors, a period of chaos and dispute. Realizing the political line of the 9th Extraordinary Congress as we did, we were able all the same to sovereignly overcome the dangerous threats for the country, for socialism on our own.

We have achieved and strengthened normalization. Persistently we are realizing the tasks of socialist renewal. We understand it as a strengthening of the party's bonds with the working class, as bold reforms, as a widening of socialist democracy, a speeding up of a scientific-technological and organizational progress, as well as a consistent application of economic rationality. That is the essence of the programme passed recently by the 10th Congress of the party of the Polish Communists and reaching well into the 21st century.

The friendship and close cooperation with the socialist states, the brotherly alliance with our great neighbour, the Soviet Union, are, invariably, a priority line of the Polish foreign policy. This is one of the fundamental conditions for the national security and successful realization of the targets of building socialism.

We set store by the development of relations with the People's Republic of China. For all the different historical-social situation, we follow with lively interest the reforms undertaken by Chinese comrades, the ambitious modernization programme adapted to the concrete conditions of building socialism.

With sincere satisfaction, we follow the process of improving and developing the PRC's relations with the other socialist states, bearing out the correctness of the formulae "unity in diversity." Desiring this process embrace all, we wish its participants a steady progress along this way. [sentence as heard] Being realized in mutual respect, equality, independence and mutual advantage, it promotes at the same time the cooperation of the world socialist forces in the struggle for arresting the arms race and for disarmament, for building an equitable international economic order, for strengthening peace. That is of essential significance.

The forces of imperialism continue the confrontation course and strive to halt and turn back great historic changes of the 20th century. Forced is the arms race and preparations are under way for militarizing outer space. The support for counter-revolutionary forces, economic restrictions, propaganda aggression and economic boycott hit out at peaceful stability and equal-rights cooperation of states both in Europe and other regions of the world.

In the past few years, socialist Poland has become the object of exactly such concentrated discriminatory practices. Despite the still renewed various attempts unfriendly to us, the stake on durable weakening and isolation of our country broke down irrevocably. Thus, it happened so as with the boycott of the People's Republic of China upheld for a quarter of a century. Its failure clearly proved that a policy contradicting the logics of historic processes, international law and commonsense stands no chances.

The road to improve the situation and the platform of constructive solutions consist in honest and realistic peace initiatives forwarded by the USSR and states of the socialist community. The convergence of the people's Republic of China's stand with these initiatives on most of the basic questions is very advantageous to the cause of peace.

I wish to voice my conviction that the resumption of Polish-Chinese dialogue on the highest level and the adopted decisions will be of great significance for fruitful development of bilateral relations in all areas and also in cooperation in the international arena in the interests of peace, progress and socialism.

Deng Xiaoping Meets Jaruzelski

OW290912 Beijing XINHUA in English 0905 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Chinese Communist Party leader Deng Xiaoping told visiting top Polish leader Wojciech Jaruzelski here today that "if we make our construction work a success, we will be able to show the superiority of socialism over capitalism. Otherwise, we will not be qualified to talk about the superiority of socialism, let alone our ideal of reaching the stage of communist society."

Deng, chairman of the Central Advisory Commissison of the Chinese Communist Party, said this during a meeting with Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the State Council of the Polish People's Republic.

Deng said that China's current task is to end its situation of backwardness.

Since the founding of the People's Republic more than 30 years ago, he said, China has gained experiences, both positive and negative.

"In the past," he said, "we did not answer well such questions as what socialism is and whether poverty can exist under socialism. During the 'Cultural Revolution," (1966-76) there was even talk of poverty-stricken communism.

"In communist society, the principle of 'from each according to his ability, to each according to his needs' will be implemented. If at that stage we are still in a situation of poverty, what can we offer for distribution?

"Some fallacies were reflected in the 1950s when there was a lack of a correct understanding of socialism, 'grasping class struggle as the key link' was emphasized over a long period, and the improvement of the people's livelihood was neglected."

He said that at present many friends abroad speak highly of China's situation. "But, we mustn't let our current success go to our heads. This can only be said to be an initial stage.

China has set a strategic target, he said. That is, in the first three to five decades of the next century, it will approach the level of the developed countries.

"Only then will we be able to say that China, with its huge population, has made contributions to mankind," he added.

Deng said China and Poland have identical views on many questions.

As they differ in concrete conditions, he said, they take different ways in carrying out reforms.

[Beijing XINHUA Domestic Service in Chinese at 0726 GMT on 29 September in its report on the meeting adds the following information to the above paragraph:

Our objectives, however, are the same; namely, consolidating the socialist system, developing the socialist productive forces, and arousing the people's enthusiasm. The main purpose of arousing the people's enthusiasm is to develop productive forces and improve the people's living standard.]

He said, "All we have done at present is an experiment, a great experiment. We must be bold in exploration, with utter devotion and absolute sincerity, and correct what is wrong.

"Minor mistakes are unavoidable, but major mistakes must be avoided," he emphasised.

On the international situation, Deng said China maintains that war can be avoided and it pursues an independent foreign policy. "This is conducive to peace and helps check war. We will make use of the present peaceful environment for our construction," he added.

Jaruzelski said he believed that his current visit would constitute a major step in expanding Polish-Chinese relations in the future.

Deng said cooperation between the two countries should be further strengthened and there are many fields in which to cooperate. China's policy of opening to the outside world means opening to all countries, including all socialist countries, he said.

Jaruzelski extended congratulations on China's successes resulting from the open-policy, saying that all socialist countries are closely following China's development. He also briefed Deng on Poland's domestic situation.

Hu Yaobang Meets Jaruzelski

OW291134 Beijing XINHUA Domestic Service in Chinese 0751 GMT 29 Sep 86

[By reporters Yu Jiafu and Feng Xiuju]

[Text] Beijing, 29 Sep (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, had a meeting at Zhongnanhai this noon with Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers Party [PZPR] and chairman of the State Council of the Polish People's Republic.

The meeting was the first between top CPC and PZPR leaders in the past 20 years and more. When Jaruzelski arrived in the meeting hall, Hu Yaobang held his hands and said: "You are greatly welcome. Our whole party and the people of the whole country welcome your visit. Your visit will greatly enhance Sino-Polish relations."

Jaruzelski said that his visit to China is a big event. He said, it is the first time in more than 30 years that we have held so many significant discussions [you yi yi di jiao tan 2589 1942 5030 4104 0074 6151] with Chinese leaders during our visit.

Jaruzelski said that his talks with Chinese leaders were very beneficial [hen you yi chu di 1771 2589 4135 5710 4104], because they have deepened our mutual understanding. He added: "Our two countries share similar views on many issues while still entertaining some differences. But their similar views will help overcome their differences."

He said: It is useful for Poland and China to exchange their experiences, and Poland's attitude toward China's Reforms is friendly and supportive. "We hold that each country can choose its own economic model."

Hu Yaobang said: "You have shown concern about China while we also pay attention to your country. We are pleased to see the situation in Poland has taken a turn for the better. China pays high tribute to the Polish Government's measures to effect a turn for the better in the economic and political situation in the country and to the achievements made in this process."

Jaruzelski invited Hu Yaobang to visit Poland at an appropriate time. Hu Yaobang accepted the invitation with pleasure.

Present at the meeting were Wu Xueqian, state councillor and minister of foreign affairs, and Josef Czyrek, member of the Political Bureau and Secretariat of the PZPR Central Committee, who is accompanying Jaruzelski during the visit.

After the meeting, Hu Yaobang entertained Jaruzelski at a luncheon.

CPC'S 6TH PLENARY SESSION MEETS 28 SEP

Issues Communique

OW281212 Beijing XINHUA Domestic Service in Chinese 1101 GMT 28 Sep 86

[Text] Beijing, 28 Sep (XINHUA) -- Communique of the 6th Plenary Session of the 12th Central Committee of the Communist Party of China.

(Adopted by the 6th Plenary Session of the 12th Central Committee of the Chinese Communist Party on 28 September 1986)

The 6th Plenary Session of the 12th Central Committee of the Communist Party of China took place in Beijing on 28 September 1986.

Attending the session were 199 members and 126 alternate members of the Central Committee; and attending the session as observers were 161 members of the Central Advisory Commission, 122 members of the Central Discipline Inspection Commission, and 25 relevant leading comrades. Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun chaired the session.

The plenary session adopted the Resolution of lthe CPC Central Committee on the Guiding Principles for Socialist Spiritual Construction. The plenary session holds that this resolution, in accordance with the principle of integrating basic Marxist theories with the realities of China, further elaborates the strategic role and fundamental tasks of socialist spiritual construction and its basic guiding principles, and that it is a programmatic document for intensifying China's socialist spiritual construction during the new historical period. The plenary serssion believes that this resolution certainly will have tremendous and far-reaching effects on expediting China's material and spiritual construction, accelerating reforms in all fields, opening the country to the outside world, and building a socialist society with distinctive Chinese characteristics. The plenary session adopted a resolution on convening the 13th CPC National Congress in Beijing in October 1987.

The session agreed to promote Comrade Yin Changmin to full member of the CPC Central Committee in accordance with the provisions of the party constitution.

The plenary session was preceded by a 5-day preparatory meeting during which the above-mentioned topics were seriously discussed in a democratic atmosphere of unity and liveliness. At the preparatory meeting, the participants heard and discussed a report on the current economic situation and economic work made by Yao Yilin on behalf of the Central Financial and Economic Group.

The plenary session called on the whole party, the whole Army, and people of all nationalities in the country to conscientiously study and implement "the CPC Central Committee's Resolution on the Guiding Principles for Building a Socialist Spiritual Civilization," to simultaneously promote the building of both socialist material and spiritual civilizations, and to greet the 13th national party congress with fine achievements in socialist modernization and the all-round reform.

RESOLUTION ON BUILDING SOCIETY

OW281157 Beijing XINHUA in English 1135 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) -- Following is the full text of the resolution of the Chinese Communist Party Central Committee on the guiding principles for building a socialist society with an advanced culture and ideology:

Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology

(Adopted at the Sixth Plenary Session of
the Twelfth Central Committee of the
Communist Party of China on September 28,
1986)

In accordance with the strategic decision of the Twelfth National Congress of the Party on promoting the cultural and ideological progress of our socialist society as well as its material progress, and in light of the guidelines set by the party's national conference in 1985 and of the requirements of China's all-round reform, the Sixth Plenary Session of the Twelfth Central Committee of the Communist Party of China has reviewed the achievements made in the past few years in the building of a society that is advanced culturally and ideologically and has studied the problems that have arisen in the process. The central committee believes that to ensure the smooth progress of the drive for socialist modernization, it is of great immediate and long-range importance to clarify, in the new situation, the guiding principles for China's cultural and ideological development and to improve our work in that area.

I. The Strategic Importance of Building a Socialist Society With an Advanced Culture and Ideology

The overall scheme of China's socialist modernization is as follows: Taking economic development as the key link, we are to continue to reform our economic and political structures and at the same time speed up the country's cultural and ideological progress, making sure that these aspects of our work are co-ordinated and promote each other. From this perspective all our party comrades should understand the strategic importance of promoting socialist culture and ideology.

Socialist culture and ideology guided by Marxism are important characteristics of a socialist society. During the socialist period, material progress lays the groundwork and furnishes practical experience for cultural and ideological progress, which, in turn, gives intellectual impetus and support to the former and provides a powerful guarantee for its correct orientation. Our success in building socialism depends on our effort to build a society with a socialist culture and ideology.

Thanks to our success in restoring order in all fields, launching all-round reform and achieving material progress since the third plenary session of the party's eleventh Central Committee in December 1978, we have accomplished much in building such society. Encouraging the emancipation of people's minds, adhering to the ideological line of seeking truth from facts and bringing into full play the scientific spirit and creative vigour of Marxism, our party has abandoned a series of ossified concepts and raised its understanding of socialism to a new height. Political stability and unity have prevailed throughout the country, democracy and the legal system are being gradually perfected and the initiative of the cadres and masses has increased. Mass activities for promoting cultural and ideological progress are becoming more and more widespread and are yielding much fresh experience. A social climate of respect for knowledge and talent is being fostered, and our educational, scientific and cultural endeavours are thriving. The party's fine tradition is developing and the work style of its member and general standards of social conduct is improving. These are the main trends. We must recognize, however, that in many ways our work to promote socialist culture and ideology has not been adapted to the needs of socialist modernization, reform and the opening of the country to the outside world. We must acknowledge that we lack adequate understanding of the importance of our work in this area, that we still have some problems to solve regarding the principles guiding it and that both in the party and in society at large there remain some grievously negative phenomena that will take redoubled efforts on our part to eliminate. Unless we have an overall view of how things stand in our work to promote socialist culture and ideology, and unless we fully understand that it is urgent and will be of long duration, we shall not be able to keep up our efforts, and the general interest will suffer.

Reform means the development and perfection of the socialist system. The progress of the reform in all areas reflects the tremendous changes that have taken place in China in the past few years. Our polcies of launching all-round reform and opening to the rest of the world have infused our socialist cause with great vitality and have significantly promoted socialist culture and ideology. Development of the socialist commodity economy and improvement of socialist democracy have led to profound changes in people's ideology and outlook. At the same time they have placed higher demands on us in our effort to foster socialist culture and ideology. This is a great historic test for us: Will we be able to meet these demands by shaping public opinion, values and the cultural and social environment so as to facilitate socialist modernization and reform? Will we be able to resist the decadent bourgeoise and feudal ideologies and avoid the danger of deviating from the right direction? Will we be able to arouse the boundless enthusiasm and initiative of the people of all our nationalities so that through the efforts of several generations we can build a modern, powerful socialist country? We should be confident that with the party's correct leadership, with the guidance of Marxism, with our basic socialist economic system and policies, with the people's democratic state power and socialist legality and, in particular, with the people's firm support for socialist construction and reform, we shall achieve socialist modernization, so long as we do our best to promote the cultural and ideological progress of our socialist society along with its material progress.

In short, because our work in promoting socialist culture and ideology is of strategic importance, we must ensure that it is capable of pushing forward China's socialist modernization, promoting the all-round reform and the opening to the outside world and embodying the four cardinal principles (keeping to the socialist road, upholding the people's democratic dictatorship, upholding the leadership of the communist party, and upholding Marxism-Leninism and Mao Zedong Thought). That is a basic guiding principle for our work in this area.

II. The Basic Task in Building a Socialist Society With an Advanced Culture and Ideology

In building a socialist society with an advanced culture and ideology, the basic task is to help people to become well educated and self-disciplined socialist citizens with lofty ideals and moral integrity, and to raise the ideological and ethical standards of the whole nation as well as its educational and scientific levels -- all in the interest of socialist modernization.

The qualities of a people are a historical product that in turn exerts a great influence on history. There is no doubt that under socialism the improvement of the qualities of all citizens will lead to a steady rise in labour productivity, to a constant development of interpersonal relations of a new type (relations based on public ownership) and to profound changes in the physiognomy of the whole society. All this is an indispensable condition for the success of our drive for socialist modernization.

The endeavor to promote an advanced culture and ideology has two aspects: Raising the people's ideological and ethical standards; and developing education, science and culture. It permeates the whole process of material advance and manifests itself in the economic, political, cultural and other aspects of social life. This constructive endeavour is the task not only of departments in charge of ideological, cultural and educational work but also of all other units and professions. It is the common long-term task of the whole party, of the whole Army and of workers, peasants, intellectuals and other working people and patriots of China's various nationalities.

A serious miscalculation our party made for many years after the basic completion of socialist transformation of private ownership was that it failed to shift the focus of its work to economic construction. Instead, the party continued to adhere to the principle of taking class struggle as the key link, belittled educational, scientific and cultural undertakings, magnified to the extreme class struggle in the ideological sphere and eventually launched the "Cultural Revolution" (1966-76), a decade of domestic turmoil. Summing up the historical experience, the party has explicitly pointed out that the principle contradiction in Chinese society at the present stage is one between the ever-growing material and cultural needs of the people and the country's backward production. It has stated that class struggle will continue to exist within certain limits for a long time but that it does not constitute the principal contradiction, and that most contradictions in our society do not have the nature of class struggle. In building a socialist society with an advanced culture and ideology, we should bear in mind the historical lessons, handle the various contradictions in society correctly and always employ the methods of discussion, reasoning and criticism and self-criticism in addressing ideological problems -- that is, the methods of persuasion and education. We should always keep national construction in the forefront of our thoughts. We should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards and to develop education, science and culture. In short, we should do everything possible to facilitate the growth of the productive forces.

The modern history of China and of the world shows that no country can progress if it refuses to accept elements of advanced science and culture from abroad. Closing one's country to external contact results only in stagnation and backwardness. We resolutely reject the capitalist ideological and social systems that defend oppression and exploitation, and we reject all the ugly and decadent aspects of capitalism. Nevertheless, we should do out utmost to learn from all countries including the development capitalist countries, to the acquire advanced science and technology, universally applicable expertise in economic management and administrative work and other useful knowledge and to verify and develop in practice what we have learned. Otherwise, we shall remain ignorant and be unable to modernize our own country. As a basic, unalternable state policy, opening to the outside world applies to our efforts to achieve cultural and ideological progress as well as to our work for material progress.

For a long period in the history of ancient civilizations, the great Chinese nation with its long history and cultural tradition stood in the front ranks. But in modern times it has lagged behind, because of a decadent feudal system coupled with imperialism aggression. The Revolution of 1911, the May Fourth Movement of 1919 and the Great People's Revolution led by the Communist Party of China brought about tremendous changes, and the birth of New China aushered in the rejuvenation of the great Chinese civilization on the basis of socialism. The latest period of our historical development, whose beginning was marked by the third plenary session of the Party's eleventh Central Committee injected a new, powerful vitality into that rejuvenation in building a society that has not only a high material level but also an advanced culture and ideology, a culture and ideology that take Marxism as their guide, that incorporate the best from historical tradition yet fully embody the spirit of our times, and that base themselves on China's actual conditions yet keep the whole world in view.

III. Mobilize and Unite the People of All China's Nationalities Through a Common Ideal

To build socialism with Chinese characteristics and make China a modern socialist country having a high degree of democracy and an advanced culture and ideology -- such is the common ideal of the people of all our nationalities at the present stage. Who shall try to make our country comparatively prosperous by the end of this century and to approach the economic level of the developed countries by the middle of the next. This common ideal embodies the interests and aspirations of all our workers, peasants, intellectuals and other working people and patriots. It is a powerful force that unites the whole people politically, ideologically and morally in the struggle to overcome all dificulties and make our work a success. To realize this ideal we must cherish those ideas and attitudes that promote modernization, national regeneration, and the reunification of the motherland, that enhance the unity of our various nationalities, foster social progress and the people's well-being and help to create a happy life through honest labour. Only thus can we do away with narrow-minded views on the question of uniting with all possible forces to build socialism -- views that for so long have seriously harmed our cause. Then it will be possible for party members and non-party people, Marxists and non-Marxists, atheists and believers, citizens at home and those living abroad -- in short, for all our working people and patriots -- to rally together and to what they can to make our common ideal a reality.

The ultimate ideal of our party is to build a communist society that applies that principle "from each according to his ability to each according to his needs". For communists and other advanced people, this ideal has been, and will always be, a source of strength and moral support. Socialism with Chinese characteristics is indispensable in the transition to such a society. As far as communists are concerned to build socialism of the Chinese style is to work for the party's ultimate ideal. Any communist who lacks faith and dedication in this practical struggle has deviated, wittingly or unwittingly, from our ideal and has ceased to be a politically conscious communist fighter. Party members, Communist Youth league members and other advanced people should therefore join in the efforts of other workers, peasants and intellectuals and relate the common ideal to the current tasks and objectives of their respective trades and professions, localities and collectives, and to their own job responsibilities and life goals. All should work devotedly at their posts and advance the reform, helping to build our country through thrift and diligence. In our time, honour belongs to those who overcome all difficulties and do exemplary work, contributing to the construction and defence of the motherland.

The more we achieve in socialist modernization, the firmer will be the people's conviction that their common ideal will be realized. We should find effective ways to educate people, making use of the accomplishments in construction and reform and of the immediate experience of the masses to encourage high ideals. At the same time, we should in various ways help the cadres and masses, especially young people, to gain an ever-increasing understanding of the Marxist world outlook and the laws of social development, of the glorious history and revolutionary tradition of our nation, and of its great suffering and heroic struggle against imperialism and feudalism in the century before the birth of the people's Republic. We should help them to understand the contemporary world, with its progress and its contradictions, and also the future of mankind. Thus we will be able to inspire a sense of national pride, self-respect and self-confidence and to place our ideals on a scientific basis .

Our patriotism is closely related to internationalism, and the progress of our country is part of the world's progress in our contacts with others. We Chinese people adhere to the principles of peace and friendship, equality and mutual benefit, mutual support and learning from each other. China's success in its socialist modernization contributes to the struggle against hegemonism, for the preservation of world peace and for human progress.

IV. Cultivate and Enrich Socialist Ethics

Socialist ethics means essentially love of the motherland, the people, labour, science and socialism. We shoud enable this love to find expression in all aspects of our social life. We should see to it that relations of a new type -- socialist relations characterized by equality, solidarity, friendship and mutual assistance -- are established and strengthened among all our nationalities, among workers, peasants and intellectuals, between the Army and the people, between cadres and the masses and among family members of neighbours, in short among all our people.

Ethics are a reflection of the economic base of a society, not an abstract concept divorced from history. Since our country is still in the initial stage of socialism, we must apply the principle of distribution according to work and develop the socialist commodity economy and competition. Also, for a long time to come, we shall develop varied sectors of the economy, always ensuring the dominant position of the public sector, and we shall encourage some of the people to become prosperous first, before the objective of common prosperity is achieved. Therefore, when educating the people in ethics we should not condemn the justifiable differences in income that result from these historical conditions. At the same time, we should encourage people to develop socialist collectivism, which combines the interests of the state, collectives and individuals, and to cherish the general interest, be honest and trustworthy, help each other in the spirit of fraternity and care for the needy and those who are in difficulty. Socialist morality rejects both the idea and the practice of pursuing personal interests at the expense of others or pursuing the interests of one's own group at the expense of the larger collective, putting money above all else, abusing power for personal gain, cheating and extortion.

In our effort to cultivate socialist morality, we do not mean to reject the principle of distribution according to work or to negate the commodity economy. We shall on no account regard egalitarianism as an ethical principle in our society. But we must reiterate that socialism is a historic movement towards the higher phase of communism. Imbued with a pioneering spirit, the advanced members of our society are ready to blaze new trails and devote themselves entirely to the interests and happiness of the people, to the communist ideal. We should encourage such a high standard of communist ethics through our society. Party members, and leading cadres in particular, should unfailingly live up to that standard. In brief, in our effort to achieve ethical progress, we should proceed from reality and encourage the advanced elements while never neglecting the majority; we should spread education in ethics as widely as possible and try to raise the general standard. This will enble us to draw in people with varying degress of political consciousness and to induce them to aim higher, so that there will be a powerful moral force uniting hundreds of millions of people.

We should raise the standard of professional ethics in all types of work. First of all, cadres in Party and government organization should be honest and enthusiastic, and they should serve the people wholeheatedly. They should oppose bureaucratism, cheating and abuse of power for selfish purposes. Greater attention must be paid to improving ethical standards in those trades and professions that directly serve the everyday needs of the people and to eradicating the bad practices particular to such lines of work. In our society everyone serves and is served. A good attitude on the part of those who serve and the good service they offer are an expression of society's concern for its members, and they add to social tranquility and harmonious interpersonal relations.

In our public life we should foster socialist humanism, respect for people and concern for their welfare. In particular, we should protect children, respect women, honour old people, disabled servicemen, family members of soldiers on active service and of revolutionary martyrs, and help the handicapped and persons who have no close relatives and cannot support themselves. We should encourage people to observe the environment and the country's resources and fulfill their duties to the state and the community. When national security is threatened or social peace is endangered, every citizen should step forward unhestitatingly in their defence.

We should work actively to change those undesirable customs that still prevail in cities and the countryside, to advocate cultured, helthful ways of living that are in keeping with scientific principles and to eliminate ignorance and backwardness. Bad wedding and funeral customs have to be changed, and superstitious, feudal beliefs and practices must be eradicated. On condition that sound folkways are respected, these reforms should be carried out voluntarily by the masses themselves. Members of the Communist Party and the Communist Youth League should take the lead in this endeavour.

As a higher stage in human moral progress, socialist ethics naturally incorporate all the best elements in the various ethical systems and traditions developed throughout history and reject all decadent ideology and ethics. Feudal ideology is deep-rooted in our country. The concept of patriarchal clannishness, autocratic ways, the tendency to seek privileges and to form factions for selfish purposes, the view that men are superior to women -- all these things that die hard in our social relations today are in essence manifestations of the evil influence of feudalism. Correupt bourgeois ideology and the slavish mentality stemming from the historical conditions of a semi-colonial society are also strongly present in China and often merge with feudal ideology. It is therefore a formidable long-term task to eradicate all these pernicious influences.

V. Intensify Education in Socialist Democracy, Legality and Discipline

A high degree of democracy is one of the great goals of socialism and also an essential manifestation of socialist culture and ideology in the life of the state and of society as a whole. Historically, the concepts of democracy, liberty, equality and brotherhood took shape in the struggle of the rising bourgeoisie and the working people against feudal autocracy, marking a great mental emancipation of mankind. Although Marxism incorporated what was best in these bourgeois concepts, it is different from them in principle. In essence, bourgeois democracy serves to protect the capitalist system. By eliminating class oppression and exploitation, socialism has paved the way for the people to become masters of their own destiny and for democracy to advance to a new level in history. The major historical lessons to be drawn from China's socialist development are, first, that we should have mustered all our resources to develop economy second, that we should have substantially extended democracy. Since the Third Plenary Session of its Eleventh Central Committee, the party has stressed that there can be no socialist modernization without democracy, that democracy must be institutionalized and codified in law and that the party must conduct its activities within the limits permitted by the construction and the laws of the state. The party has taken effective measures to further democratize its political life, the political life of the state, economic management and the life of the entire society. In urging reform of the political structure, as it has done of late, the Central Committee aims — always while upholding the leadership of the party and the people's democratic dictatorship — to reform and perfect the party and state leadership systems and to take a step further in extending socialist democracy and improving the socialist legal system, all for the purpose of facilitating socialist modernization. This will be a very complex task. After exhaustive investigation and study, the Central Committtee will work out plans for accomplishing it, so that political reform may proceed step by step and with proper guidance.

Democracy cannot be separated from legality and discipline. Socialist legality, embodying the will of the people, safeguards their legitimate rights and interests, regulates their relations and sets norms to keep their activities within proper bounds, at the same time punishing all unlawful activities that endanger society. Legality dissociated from socialist democracy can in no sense be socialist legality, nor can democracy dissociated from socialist legality be socialist democracy. Unless we strengthen our socialist legal system based on the Constitution and strengthen work discipline while combating all practices that repress and undermine democracy, we shall not be able to ensure smooth economic development and the unimpeded progress of all-round reform; furthermore, we shall not be able to maintain long-term political stability in our country. Bourgeois liberalization, which means negating the socialist system in favour of capitalism, is in total contradiction to the people's interests and to the historical trend, and it is therefore firmly opposed by the masses.

Among the measures to perfect socialist democracy and legality, the most important is education. Starting with primary school pupils, we should carry out education among the people in democracy, legality and discipline, at the same time urging them to acquire high ideals, raise their ethical standards and always to behave honourable. We should steadily disseminate general knowledge of the law among all our people. This will make them aware of the way they are expected to conduct themselves as socialist citizens and help them to understand their fundamental rights and duties. It will also acquaint them with the laws and regulations directly related to their respective jobs and other aspects of their lives, so that they can cultivate the fine habit of observing those laws and regulations. All citizens should abide by the Constitution of the state, and party members should, in addition, abide by the Constitution of the

Party. It should be an unshakable principle in our political and social life that everyone is equal before the law and everyone is equally bound to follow regulations. On no account shall anyone is allowed the privilege of flouting laws and regulations with impunity.The people's democratic dictatorship is a powerful weapon for protecting the people and defending the four modernizations program. In accordance with the law, we should prosecute all hostile persons who sabotage our socialist system, punish all criminals including those guilty of economic crimes, and stamp out all unlawful activities detrimental to the people's interests, such as prostitution, drug addiction, gambling, and the dissemination of pornographic videotapes and publications.

VI. Universalize Education, Disseminate General and Scientific Knowledge and Raise People's Cultural Level

The Development of education, science and culture is a prerequisite not only for material progress but also for ideological and ethical progress. In today's world, science is increasingly becoming a revolutionary driving force of history. In fact, it has become a main indicator of the level of progress a nation has attained. Thus, in our modernization drive it is especially important for us to pursue knowledge and to respect and utilize science. We should work hard to universalize education and to spread general and scientific knowledge throughout the country and to raise the people's cultural level.

Cultural activities and institutions -- education, scientific research, literature and art, the press and publications, radio, cinema and television, health services, physical culture, management of cultural relics, libraries, museums and so on -- all have an important role to play. We should work to gretly expand them in light of the conditions of our country's vast territory with uneven economic and cultural development. It is particularly important to expand education and scientific research. They are among the strategic priorities in our overall scheme for socialist modernization, bacause without them, not only can there be no socialist culture and ideology but there can be no sustained economic growth. The state must guarantee such expansion through proper policies and adequate funding; and encourage the forces in all sectors of society to give them support. All localities should map out specific plans for their cultural development and make sure that they fulfill the task in cultural development just like they fulfill their economic targets.

Because our cultural undertakings are socialist in character, the ultimate criterion for evaluating their ultimate success must be their social effect. In order to satisfy the extensive demands of the masses, we must try to improve the quality of our intellectual products. We must restructure our system of management of cultural affairs and improve the related administrative work, so as to promote China's cultural development.

Educational, scientific and cultural workers who share the honorable but arduous tasks of fostering socialist culture and ideology, should understand the demand of them in this historical era and the people and try to raise their own ideological and ethical standards as well as their professional competence. Leading bodies at all levels should do organizational work and help intellectuals familiarize themselves with the many varied activities of the masses who are creating a new life. In construction and reform they should enlist as many intellectuals as possible as consultants and ask them to contribute their share to policy decisions. As for those competent people who have made contributions, we should give them vigorous support by helping to create the conditions necessary for their success. They should give moral and material encouragement to outstanding workers who create fine intellectual products and to other educational, scientific and cultural workers who distinguished themselves.

In particular, the leading organizations should introduce awards to be given, as a high honor, to intellectual products that represent the highest scientific and cultural attainments of our nation. In every aspect of our work, we must make further efforts to ensure respect for knowledge and for highly trained people.The improvement of the status of intellectuals, the tapping of their potential, the close unity and common endeavor of workers, peasants and intellectuals will be our best guarantee of success in modernizing the country.

VII. The Guiding Role of Marxism in Building a Socialist Society With an Advanced Culture and Ideology

To modernize China and build a socialist society that is culturally and ideologically advanced, it is essential for us to adhere to Marxism-Leninism and Mao Zedong Thought as our guiding theory. As the scientific world outlook of the working class and one of the great achievements in the history of civilization, Marxism is the theoretical basis of socialism and of the leadership given by the party. It is the most important component of socialist ideology and will serve as a guide in al our work to build a socialist culture and ideology. In all our efforts to encourage high ideals and standards of conduct, to raise our cultural level and to publicize democratic principles and the importance of legality, we have to depend on Marxism as our guiding theory and make new progress in Marxist research.

Marxism is a science that constantly enriches and develops itself in keeping with historical and scientific advance. Far from exhausting truth, it constantly opens up new avenues to truth in practice. The tremendous changes that have taken place and are taking place in China and the rest of the world bear witness to the immense vitality of Marxism and, at the same time, demonstrate that we must apply its basic principles and methods to the creative solution of new problems. The task of China's Marxist theoretical workers in the new era is to study the new circumstances and new problems that have arisen in the economic, political, cultural and social fields and the new experience we have gained in the course of socialist modernization and reform, and to explore the laws that govern the building of socialism with Chinese characteristics. At the same time, they should investigate new developments and trends of thought in the contemporary world, assimilate those latest achievements of science that are useful to China and to make a summation of them. Instead of using fossilized concepts to interpret life, we must proceed from reality, make practice the sole criterion for verifying truth and jettison all those judgements and conclusions that have proved wrong in actual practice or out of keeping with changing realities. That is the only way to ensure that Marxism will keep abreast of social change and serve to guide it. and that is the way both to uphold Marxism and develop it, the two being integrated in our practice of revolution and construction. It would be impossible to uphold Marxism if we reject the overriding importance of practice and the need to observe reality from a development perspective and to bring forth new ideas. It is wrong to regard Marxism as a rigid dogma. It is also wrong to negate its basic tenets, view it as an outmoded theory and blindly worship bourgeois philosophies and social doctrines.

Socialism is still in the process of being realized, and our modernization and reform are complex tasks that call for innovative thinking. There are not -- and cannot be -- any ready-made formulas, and it is only natural that differences of opinion should often arise in both theoretical and practical work. We should therefore carry out the policy of "letting a hundred flowers bloom, a hundred schools of thought contend". We should encourage and support all bold explorative efforts and free debates that are based on scientific research, in order to stimulate research on Marxist theory, democratize our policy-making process and give our decisions a more scientific basis. In making policy decision and formulating plans, we should observe the principle of democratic centralism. When it comes to academic issues and issues relating to the arts, we must abide by the principles of the creative writing, freedom of discussion, and freedom of criticism and counter-criticism. Those freedoms are essential if Marxism is to serve as a guide in academic work and the arts.They are likewise essential if we are to create an environment of political stability and unity and a democratic, harmonious atmosphere in which science and culture can thrive to serve the people and socialism.

Party cadres, especially those who are in leading positions or in charge of ideological work, should take the lead in studying Marxism. It is impossible to uphold and develop Marxism if we do not study it seriously. The masses, and particularly young people, should also be encouraged to study it. Education in basic Marxist tenets should be conducted in conjunction with education in the party's line, principles and policies, and with education concerning the current situation and our revolutionary traditions. It should also be combined with the study of history and the teaching of general and scientific knowledge, and be related to the current thinking of the masses. We must overcome the tendency to neglect Marxist studies. We should see to it that their content is not divorced from reality and that the methods of instruction are not dull and monotonous.

VIII. Responsibilities of Party Organizations and Party Members in the Building of a Socialist Society with an Advanced Culture and Ideology

The working class is the the leading class in our country. As its vanguard, the Chinese Communist Party is the force at the core leading the efforts to modernize China. In the building of a socialist society that is culturally and ideologically advanced, party organizations at all levels and their members are duty-bound first, to try to raise their own ideological level and, in particular, to improve the work style of the party; and second, to work hard and set a good example, thus helping to mobilize the people and advance the society-wide effort to build socialist culture and ideology.

Improvement of the work style of the party is crucial to its very survival. Now that the part is in power, the question of paramount importance is whether its members will wholeheartedly serve the people or behave like bureaucrats and overlords, riding roughshod over the people and abusing power for personal gain. Since the third plenary session of the eleventh central committee, we have brought order to all fields and begun party-wide consolidation. We have achieved a great deal in restoring and developing the party's fine traditions of integrating theory with practice, maintaining close contact with the people and conducting self-criticism. However, we must recognize that throughout the long process of reform, opening to the rest of the world and modernization, we shall have to continue resolutely the struggle to stamp out malpractices Ideological education and efficient systems and institutions are very important for the cultivation of a desirable work style in the party. We must therefore take vigorous measures to reform and make perfect the party's organizational and work systems, strictly enforce its rules and institute effective systems of internal and popular supervision to monitor the work of leading cadres at all levels.

Party members, particularly those in leading positions, should always set an example for the masses by working diligently and being eager to learn and make progress, by renouncing empty talk in favour of practical work, by devoting themselves to the reform programme and daring to innovate, by safeguarding the people's interests and leading them towards prosperity through honest labour, by observing the law and discipline, opposing malpractices of any kind and fighting against crime. In a word, they should make themselves models in the nation's effort to build a socialist society that is advanced both materially and culturally and ideologically.

Party organizations should meet regularly to evaluate their members' performance in these respects and discuss ways to improve it. They should commend the advanced members and encourage those who lag behind.

A new problem facing the whole party under the new circumstances is how to ensure that efforts are made to build a society that is advanced both materially and culturally and ideologically. All party organizations, from the central level to the grassroots, must devote more time and energy to leading the work of building socialist culture and ideology. They should explore effective methods, study policies and organize and co-ordinate the efforts of all quarters. It won't do just to go through the motions: What is needed is solid work.

Ideological and political work is a guarantee of success in our economic and other undertakings. Now we must adapt such work to the requirements of the new period by exploring new possibilities. All cadres, whatever their trade or profession, should help solve problems directly related to the people. Leading cadres should regularly go among the workers, peasants and intellectuals an ask their views on how to straighten out the ideological and practical questions that are of most concern to them. We must build a contingent of well-trained ideological and political workers. We should care for them and help solve the problems they encounter in their work. While urging them to constantly enhance their political consciousness and their skills. We should encourage them to serve the people enthusiastically through efficient work so as to win popular trust and be able to play their role to the full.

The present resolution is designed to clarify certain questions and to formulate the guiding principles for building, in new historical conditions, a socialist society with an advanced culture and ideology. Party organizations in all departments, localities and institutions should apply these principles in light of their own specific conditions and work out concrete measures to be taken accordingly. For its part, the Central Committee will strengthen its guidance of the whole work.

The Chinese People's Liberation Army, an invulnerable great wall in the defence of our motherland and a major force in construction, is an Army with a high degree of political awareness, fine ethics and a strict sense of organization and discipline. It exerts a great moral influence on the whole nation. The Army should continue to raise its ideological level and take an active part in the nationwide endeavour to build a socialist society that is culturally and ideologically advanced. For this purpose, the military commission should draw up specific plans in accordance with the principles set forth in this resolution and with the cnditions obtaining the Army.

The Central Committee calls on all party organizations and all party comrades to study and discuss the present resolution, so that they will have a better understanding of it and reach agreement in their thinking. By so doing, we will be able to work more effectively in our great undertakings: The building of a socialist society that is advanced culturally and ideologically as well as materially, and the carrying out of all-round reform.

CPC Congress Set For Oct

OW281302 Beijing Domestic Service in Mandarin 1100 GMT 28 Sep 86

[Text] Resolution of the 6th Plenary Session of the 12th Central Committee of the Communist Party of China on the Convening of the 13th National CPC Congress.

Adopted by the 6th Plenary Session of the 12th Central Committee of the Communist Party of China on 28 September 1986

1. In accordance with the party Constitution, the 13th National Congress of the Chinese Communist Party will be convened in Beijing in October 1987.

2. The main agenda of the 13th national party congress will be: 1) hearing and examining a report of the Central Committee; 2) hearing and examining reports of the Central Advisory Commission and the Central Discipline Inspection Commission; 3) electing the members of the Central Committee; 4) electing the members of the Central Advisory Commission and the Central Discipline Inspection Commission.

3. The number of delegates to the 13th national party congress will be 1,950. The delegates to the congress will come from party congresses, or conferences of party representatives, held by all provinces, autonomous regions, municipalities directly under the central government; organs directly affiliated to the Central Committee; central state organs; and various headquarters, services, arms, and military regions of the PLA in accordance with the quotas the Central Committee allocates to various electorates and the measures stipulated in the party Constitution. The delegates should be broadly representative. An appropriate proportion of them will be elected from among women party members and party members of minority nationalities. Particular attention will be paid to electing a certain number of young and middle-aged party members who have distinguished themselves in the drive for socialist modernization and in the reform.

4. The Central Committee urges party organizations at all levels and all party members to greet the convocation of the 13th National Party Congress by standing at the forefront of the great reform, earnestly upholding the principle of carrying out socialist material and spiritual construction at the same time, struggling in unity with the people of all nationalities throughout the country, and working even harder to bring about a new situation for socialist modernization in accordance with the spirit of the 12th party congress and the plan laid down by the Central Committee.

LIAOWANG ON BUILDING SPIRITUAL CIVILIZATION

HK250647 Beijing LIAOWANG in Chinese No 37, 15 Sep 86, p 4

[Commentator's article: "Building Spiritual Civilization"]

[Text] During the last 2 years, people in all walks of life in our country have often talked about the issue of building socialist spiritual civilization, and some newspapers and magazines have organized extensive discussions on this issue. People are talking about ideology, theory, morality, and social values and are discussing ways to raise the moral quality and scientific and cultural attainment of the Chinese nation. Obviously, this has become an urgent issue that we must deal with in our social life. Building spiritual civilization will be a major subject for the coming 6th Plenary Session of the 12th CPC Central Committee, which will discuss this issue deeply and adopt a resolution laying down general guidelines for building socialist spiritual civilization in China. This will be a matter of great significance in our efforts to strive for the achievement of the grand objective in the year 2000, and in the next century, and it will be a strategic task that we must fulfill.

For a long time past, central leading comrades have repeatedly pointed out that we must develop material and spiritual civilization at the same time. The reason for this is simple. [paragraph continues]

Material civilization provides the material foundation for the development of spiritual civilization; and spiritual civilization, in turn, gives mental and intellectual support to the development of material civilization and offers an ideological guarantee for the correct orientation of material civilization. Therefore, neither of these two aspects can be dispensed with. Socialism must ensure highly developed productive forces and the people's enriched livelihood; at the same time, it is equally important that socialism must also bring about a high degree of spiritual civilization so that our people can all "have a lofty ideal, moral integrity, good education, and a good sense of discipline, and our country can become a society which has a clear goal when making advances, has noble morality and values, has a sound democratic and legal system, and achieves great scientific and cultural attainments. Socialist spiritual civilization is a major and important characteristic of socialist society.

Our nation has a common ideal and a common struggle target shared by all people. They form a major spiritual pillar which supports our society and is a valuable advantage for our people. The common ideal is to build a powerful and prosperous socialist society and to strive for the realization of a more magnificent communist society through the efforts of many generations. The common struggle target's first step is to build China into a "comparatively well-off" socialist country by the end of this century, and, as the second step, build it into a prosperous modern socialist country whose economic development level is close to the world's developed countries by the first half of the next century. The people of all nationalities in our country are united around this common goal. To achieve this common goal, all positive ideas and spirit favorable to our nation's four modernizations, development, and reunification, and which are beneficial to the state, nation, society, and people, plus all positive ideas and spirit in striving to build a better livelihood through honest work, must be respected, protected, and promoted.

An important part of our spiritual civilization is socialist morality. We should greatly promote the spirit of loving the motherland, loving the people, loving labor, loving science, and loving socialism; should establish and develop a new-type socialist human relationship of equality, unity, fraternity, and cooperation; should attach importance to trade and social ethics and form good social values; should encourage new socialist morals and values and do away with old and decadent feudalist and capitalist morals and values; and should develop a healthy, civilized, and scientific lifestyle.

Spiritual civilization requires the enhancement of the educational, scientific, and cultural levels of the whole nation, because ignorance is the root cause of non-civilization. In addition, it is also necessary to develop the democratic spirit and good behavior in observing law and discipline.

In general, our efforts to build spiritual civilization must be able to advance our socialist modernization process, promote reform and economic opening, and help maintain the four basic principles, and must be subject to Marxist guidance. Efforts to build spiritual civilization should be made in all aspects and all steps of the construction of material civilization, and in all fields in our economic, political, cultural, and social lives.

It is certain that the construction of socialist spiritual civilization will be an arduous and long-term task. However, we now have many favorable conditions which enable us to fulfill this task, step by step. [paragraph continues]

Chiefly, these favorable conditions are: The requirement of efforts to realize the whole nation's common goal has become the standard for judging the correctness of people's words and deeds; the in-depth development of economic structural have brought about profound changes in people's mentalities and ways of thinking; the policy of opening up to the outside world has widened people's vision and developed people's ability to distinguish good things from bad; and we can now better absorb all achievements in world civilization, and do away with decadent and harmful things.

To fulfill the task of building spiritual civilization is first to rely on education and second on rule by law. Of course, education is the fundamental method.

Now, maybe we can describe the general pattern of the socialist modernization construction in our country in the following way. That it is to carry out economic structural reform, political structural reform, and to build spiritual civilization with economic construction as the center. This is a three-fold task. The strategic position of building spiritual civilization is apparent in this pattern.

LIAOWANG VIEWS POLITICAL STRUCTURAL REFORM

HK2803452 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 p 1

["Letter From Beijing" by Bao Xin [7637 0207]: "The Reason Why Reform of the Political System Should Be Tackled Cautiously"]

[Excerpts] 17 September 1986

Dear friend, The need to carry out political structural reform in China is a unanimous view reached by top leadership and grass-roots units after practical experience in the economic structure in recent years. If the political structural reform is not carried out, the development of productive forces will be impeded, and the initiative of all fields in the four modernizations affected.

However, the political structural reform should be tackled cautiously. Deng Xiaoping laid special emphasis on this point in his talk in early September. Some aspects of the political structural reform have been initially made explicit, such as its focal leadership, the party and government need to be separted, bureaucratism must be eliminated, and the initiatives of the people and grass-roots units must be brought into play. However, it is still necessary to further clarify the precise implications of these points and the question of where to begin the reform. For instance, if the implication of China's reform of the economic structure is to develop planned commodity economy, then what is the implication of the political structural reform? It involves investigation and research; and reform can only be carried out with leadership, in a planned way, step-by-step when everything is clarified relatively thoroughly.

China is a big country, and the political structural reform involves every aspect. A breakthrough must be made in some long-standing, major and difficult problems. Therefore, political structural reform should be tackled cautiously. Haste makes waste. Doing things in a hurry will lead to unnecessary zigzags. At present, China is attaching great importance to making strategic decision-making democratic and scientific. Regarding such an important matter, leading members at all levels, experts, and scholars should first fully conduct preliminary discussion and research, then some typical experiments should be made. [paragraph continues]

The reform should be carried out with assurance when we are fully prepared in theory and in practice. This is the safe and reliable way to deal with it. Therefore, it seems that the year 1986 is still in the phase of preliminary discussion, research, and preparations. [passage omitted]

But of course, tackling the reform cautiously does not mean wavering, or delaying it indefinitely. In fact, some undertakings concerning political structural reform have been going on for a long time. For example, the system of the enterprise director assuming sole responsibility, a system being implemented at present, is actually an aspect of separation of the party from the government. However, cautious investigation and research in the systematic political structural reform with all respects forming a complete set are needed before the reform is under way.

Sincerely yours, Bao Xin

INSTITUTE DIRECTOR DISCUSSES POLITICAL REFORM

HK171601 Hong Kong TA KUNG PAO in Chinese 17 Sep 86 p 2

[Report by reporter Kung Shuang-Yin [7255 7175 0603]: "Director of the Research Institute of Marxism-Leninism-Mao Zedong Thought Under the Academy of Social Sciences of China on Political Reform"]

[Text] At a recent meeting, Su Shaozhi, director of the research institute of Marxism-Leninism-Mao Zedong Thought under the Academy of Social Sciences of China, said that in order to reform the political system, we must first break away from some political concept dogma that developed over the years.

The most prominent examples he cited on political concept dogma are:

First, we must replace monism by pluralism when discussing interests. Stalin proposed that in a socialist society, the interests of the people as a whole were unanimous. This kind of monistic viewpoint is incomplete. Rather we can say that the people's long-term and basic interests are unanimous. On many specific issues, however, the interests of many regions, departments, units, and individuals are not unanimous. This is shown when we raised the price of agriculture and sideline products. In this case, the peasants and people living in urban areas responded in different ways. Only when we acknowledge the difference and pluralism of interests can we make the correct decision. Of course, the in-depth study of this issue will involve the question of whether or not we acknowledge pluralism in politics and whether or not we need a political system with more than one party. Socialism does not allow a political system with more than one party. However, we should practice democracy in politics. We should allow within the party free discussions among people holding different viewpoints. We must not simply take the words of leadership as the only thing that counts.

Second, when strengthening the leadership of the party, we must not think in terms of absolutes and supervise everything. In different times, the leadership of the party is marked by different characteristics. Over a long time in the past, our party thought about its leadership in terms of absolutes and tried to make it omnipotent. It held that to supervise everything was the reflection of the party leadership. We should put an end to this situation. Anything that does not involve the major poltical issues should not be directly interfered in by party organizations.

Third, no hard and fast line can be drawn between the socialist system and capitalist system. In fact, the capitalist democratic system was first proposed by the Third Estate during the great bourgeois French Revolution. Most of the basic contents proposed were progressive, such as the general election system, the system of power balance, democracy, human rights, and so on. We may carry them forward and make them tools for realizing the people's interests.

Fourth, we must study again the theory of building the state, regime, and party. Marx, Engels, and Lenin had never experienced the construction in the new period. Hence, their theory is no longer able to solve all our problems now.

YANG SHANGKUN ENDORSES 'EIGHT NO'S' FOR PLA

OW281322 Beijing XINHUA Domestic Service in Chinese 0213 GMT 27 Sep 86

[By reporters Wang An and Yang Minqing]

[Text] Beijing, 27 Sep 86 (XINHUA) -- The "eight no's" [ba ge bu zhun 0360 0020 0008 0420] put forward by leading comrades of the Central Military Commission [CMC] as a code of conduct for the PLA during the new period have become song lyrics for the Armed Forces: The "Three Main Rules of Discipline and the Eight Points for Attention." This eight no's song, which is easy to learn and remember, is intended to be sung by officers and men so that it will effectively guide their deeds and raise their political consciousness, improve their work style, and heighten their sense of discipline.

The "eight no's" are: There will be no beating, scolding, or corporal punishment of fighters; there will be no acceptance of gifts from fighters; there will be no infringement of fighters' interests by cadres; there will be no fines imposed on fighters; there will be no alcoholism; there will be no gambling; there will be no reading of obscene materials; and there will be no cheating. Yang Sangkun, executive vice chairman of the CMC pointed out that these eight requirements should be considered a new supplement to the Three Main Rules of Discipline and Eight Points for Attention, and should become the code of conduct for the Armed Forces.

After leading comrades of the CMC set forth the "eignt no's" on 3 July this year, all PLA units have taken prompt steps to propagate them in one way or another until cadres and figters understand that observing the "eight no's" is significant for strengthening the basic-level units, improving ideological and political work during the new period, carrying forward the PLA's fine traditions, promoting good relations between officers and men, and building civilized armed forces under new historical conditions.

The "eight no's" are primarily meant for officers. Without trying to conceal their faults, the vast number of officers have checked their conduct against the "eight no's," made criticism and self-criticism and, after acquiring a better understanding of the code, corrected the mistakes they have committed. Those who have punished the fighters have apologized to them. Some fighters who had been dressed down have retired, and the cadres concerned have written them apologies. Some cadres who accepted fighters' gifts and infringed upon the fighters' interests have returned the gifts or paid for them. Many units have also educated their cadres on the PLA's principles and fine traditions to help them understand that they should serve the fighters, that officers and men are equal, and that they should dedicate themselves to national defense, thus cementing the ties between officers and men, and helping them understand the science of leadership and administration.

Other unhealthy tendencies and misbehavior, such as cheating and alcoholism, have also been effectively deterred in the Armed Forces.

PLA ACADEMY IMPLEMENTS OPEN-TYPE RESEARCH

HK261022 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 p 28

[Article by Fan Hao [2868 8504]: "PLA Academy of Military Science Conducts Open-Type Research"]

[Excerpts] Opening up to the outside and strengthening its exchanges with foreign military units, academic institutes and scholars, China's PLA Academy of Military Science will gradually become an institute conducting open-type research.

Over the years, the academy has sent many people on several occasions to Romania, the United States, the FRG, Japan and so on for inspections visits and academic exchanges. It has also received many visiting foreign scholars. The academy's foreign military research department annually publishes 10 to 30 translated works, in addition to translating and publishing some academic magazines on foreign military affairs. According to statistics, by the end of 1985, the department had published a total of 194 translated military works, or some 53 million words. [passage omitted]

Now 28 years old, military academy is a comprehensive military academic research body under the CPC Central Military Commission, as well as an institute for planning and coordinating the whole army's military academic research. [passage omitted]

At present, the military academy has, in connection with the guiding ideology of building China's army, carried out strategic changes. It has readjusted the work force for conducting research, and started research on major and practical issues. This year, it must compile such works as the "Science of Strategy", the "Science of Military Systems", the "Essence of the Science of Campaigns" and the "History of China's PLA,." as well as such regulatory books as the "Battles of Combined Arms Units in Brief." Recently, the military academy held an academic forum on "National Strategy and Systems Engineering by the Year 2000." In the second half of this year, it will join its fraternal students and hold several academic forums, such as one on "Marxism-Leninism and Mao Zedong Thought development in China following the 3d Plenary Session of the 11th CPC Central Committee, one on "China's Military Development in Contemporary Times", one marking the "50th Anniversary of the Successful Long March" and one on "Military Management."

In the future, the military academy will strengthen its research on issues concerning strategy and military policies. This includes principles and policies on the modernization of national defense and highway development, national defense construction and the building of the Army; as well as the guiding principle and theory on combating anti-aggression battles in the future. At the same time, it will attach great importance to studying the influence of the new technological revolution on military strategy and the building of the army. Proceeding from principles regarding combat, the development of arms, the guarantee of logistics supply and so on, it will strive to identify military legislation as well as systematically study the new military orders and regulations. In military history, it will conduct research on the world's military history. It will organize compilation of a book on the military history of the PLA and also a "Chinese Military Encyclopedia." [paragraph continues]

In connection with actual needs and possibilities, it will further strengthen contacts with foreign military units, academic institutes and scholars by sending personnel overseas and inviting foreign experts. It will strive to invigorate China's military science by studying hard and drawing lessons from foreign countries' advanced experiences, so as to make contributions for resisting invasion and safeguarding world peace.

Located on the foot of Beijing's western hills and to the northwest of the famous scenic spot of the Summer Palace, China's PLA Academy of Military Science was built in 1958. Marshal Ye Jianying was appointed its first principal and political commisar until 1972. He was succeeded by Song Shilun as the principle, and Senior General Su Yu [4725 5940] was appointed the first political commissar. Its principal is Zheng Wenhan [6774 2429 5960], formerly vice principal of the academy; and its political commissar is Wang Chenghan, formerly commander of the Chengdu Military Region.

NEW TYPE OF ROCKET ENGINE DEVELOPED, APPROVED

OW270500 Beijing XINHUA in English 0203 GMT 27 Sep 86

[Text] Lanzhou, September 27 (XINHUA) -- China's first mercury-propelled rocket engine was approved by experts here Thursday.

The engine was developed by the Lanzhou Institute of Physics, affiliated to the Aviation Industry Ministry.

It is one of the latest electron rocket types, the experts said, and the main function of the engine is to keep a satellite in accurate position once it is propelled into orbit.

"The engine is small in size, accurate in manipulation and durable in use," they explained.

The institute began research on the project in 1976.

CPC SOLICITS OPINIONS ON CULTURAL RESOLUTION

OW211518 Beijing XINHUA in English 1506 GMT 21 Sep 86

[Text] Beijing, September 21 (XINHUA) -- The Central Committee of the Communist Party of China (CPC) has held a forum recently to seek opinions of personages outside the party upon a draft resolution on cultural development and promotion of socialist ethics.

The resolution is scheduled to be examined and adopted at the coming Sixth Plenary Session of the 12th CPC Central Committee.

Over 200 people, including leaders of the democratic parties and various organizations, persons with no party affiliation, those from minority nationalities and from the religious circles, and representatives of young and middle-aged people from the scientific, cultural and educational circles, attended the forum held from September 1 to 6.

They made many suggestions for revising the draft resolution through careful study and panel discussions.

Those attending the forum share the view that it is extremely necessary for the CPC Central Committee, while going in for material development, to work out a resolution on the guideline for China's ideological and cultural development.

Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, and Chen Pixian, member of the Secretariat of the CPC Central Committee, were present at the forum.

Speaking at the forum, Xi said that it has become a practice for the CPC to hold such meetings to solicit opinions before making major decisions in recent years.

"The present forum is aimed at giving scope to the wisdom of the collective so that the draft resolution can be improved further," he explained.

He noted that among the participants in the forum are the knowledgeable and experienced veterans as well as the young and middle-aged people, who have fresh ideas and are daring to explore.

And many people, who have been engaged in educational, scientific and cultural work for years, are bound to offer very good ideas for the cultural development and promotion of socialist ethics in the country, he added.

CIRCULAR URGES RURAL RECTIFICATION PREPARATION

OW191115 Beijing XINHUA Domestic Service in Chinese 0831 GMT 18 Sep 86

[Text] Beijing, 18 Sep (XINHUA) -- In view of the fact that to varying degrees some localities have not paid adequate attention to preparations for party rectification at the village level, the office of the Central Commission for Party Rectification recently issued a circular urging all localities to make an earnest review of the preparatory work for party rectification at the village level in light of the experience of the Shaanxi provincial party committee. They should carry out this work in a down-to-earth way in order to make up deficiencies and ensure that rural party rectification at the village level, scheduled to unfold in an all-round way this winter, will yield the hoped-for results.

The party rectification office of the Shaanxi provincial party committee made arrangements this summer to review the preparatory work undertaken by various localities for party rectification at the village level. It discovered that some prefectural, city, and county party committees had not paid adequate, extensive attention to preparations for party rectification at the village level. Therefore, they immediately issued a circular that pointed out: Party rectification at the village level is an extremely important step for implementing the CPC Central Committee's decision for party rectification, as well as for further carrying out rural reform. It is an arduous task of great significance. From now on, the various prefectural, city, county, and township party committees must, while implementing party rectification at township and town levels, promptly shift the focus of party rectification to the preparatory work for party rectification at village level.

They also set forth the specific tasks for this work: Further enhancing the understanding of the great significance of party rectification at the village level; investigating deeply the situation of village level party organizations and party members; making an earnest review of pilot villages' experiences in party rectification; readjusting and replenishing the leading bodies of village party branches; readjusting and improving the financial system; assigning and training key personnel for village-level party rectification; formulating plans for village-level party rectification; compiling teaching materials for party lectures; and replenishing and enhancing county and township party rectification working bodies.

The office of the Central Commission for Guiding Party Rectification transmitted the circular of the party rectification office of the Shaanxi provincial party committee to the party rectification offices of the various provincial, autonomous region, and municipal party committees. It also stressed: The problem of not paying adequate attention to the preparatory work for party rectification at the village level also exists in other localities. The various localities should seize the opportunity to make meticulous, comprehensive arrangements and carry out earnest, solid, and adequate preparations as Shaanxi Province did.

STATE COUNCIL ISSUES CIRCULAR ON EDUCATION

OW252040 Beijing XINHUA in English 1719 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- Governments at various levels should work out specific plans to help implement the "law on nine-year compulsory education", says the State Council in a circular which reached XINHUA here today.

The law, which went into force on July 1, demonstrates that China's promotion of fundamental education has reached a new stage, the circular says.

The State Council warns local governments not to blindly pursue middle school education while primary school education is still under development.

"No unit is allowed to squeeze money, teaching faculty and materials from primary schools," the circular says, adding that local governments must not upgrade primary schools to middle schools for the development of middle school education.

In those areas where conditions are not ripe yet, the governments should place emphasis on the improvement of the schools already set up and on preparations for further educational development.

Local governments should allocate special funds to improve the conditions for teachers in order to raise the numbers of qualified teachers, the circular says.

No unit is allowed to transfer teachers from primary and middle schools to other work, and all the graduates from teachers schools must be assigned to work in educational fields, the circular stresses.

Donations from various organizations and individuals for education are encouraged, it adds.

CONTINUATION OF ONE-CHILD FAMILY POLICY URGED

OW251307 Beijing XINHUA in English 1115 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- On the sixth anniversary of the institution of the one child policy an authoritative Chinese publication said the national experiment in population control must continue.

An editorial in "HEALTH NEWS" published today said Chinese couples should refrain from having more than one child for the good of the entire nation.

"It is a wrong idea that there is no need to stress the policy since China's economy has developed," it said.

The one child policy was brought in on this date in 1980. It encourages couples not to marry until they at least reach their early twenties. If they are of Han decent, who make up 94 percent of the population, they should not have more than one child. Ethnic minorities are not dissuaded from having two or three children.

The policy encourages people to conform to the rule, it doesn't force them although single child families receive more benefits.

The paper noted that if there were another baby boom the additional children would put a severe burden on the country's limited land and natural resources. This could have a disastrous effect on the country's present economic and social development plans.

Even with the one child policy, the paper said, there is still a risk of an increasing population. There are now 20 million Chinese people a year who reach marriageable and child bearing age. They are the baby boomers of the 1960s and early 1970s and if they had more than one child it could create another population explosion.

The paper said that this shows the one child policy must be a long range strategic principle.

To ensure the policy is carried out smoothly, the paper urged publicity campaigns be renewed and aid be given to single families.

XINHUA BRITISH EXPERT SHAPIRO DIES IN BEIJING

OW290324 Beijing XINHUA in English 0259 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Michael Shapiro, a British expert, a faithful and unyielding internationalist fighter and a long-tested sincere friend of the Chinese people, died of heart attack in Beijing at 1:20 this morning at the age of 76.

Shapiro had worked at XINHUA News Agency since he arrived in China at the and of 1949. He made valuable contributions to the development and improvement of XINHUA News Agency's overseas services and to making China better known to the people of other countries.

Chinese top leaders have spoken highly of Shapiro's work.

SUN WEIBEN ACCOMPANIES TIAN JIYUN IN HEILONGJIANG

SK260418 Harbin HEILONGJIANG RIBAO in Chinese 13 Sep 86 p 1

[Text] From 9 to 12 September, Tian Jiyun, vice premier of the PRC, and his entourage, accompanied by Sun Weiben, secretary of the heilongjiang provincial party committee, and Wang Lianzheng, vice governor of the province, inspected the Honghe state farm, the Wumahe Forestry Bureau, the Wuying natural environment protection zone, Daxingangling Prefecture, and Mohe County in the prefecture, all of which are located on the Sanjiang plain. They went there to investigate and learn about the economic situation prevailing in the border areas of our country and to visit school teachers, the masses, and the PLA commanders and fighters in these areas in order to extend their cordial regards.

During his inspection tour in Mohe County, Vice Premier Tian Jiyun fully acknowledged the way of developing the economy in the forest zones by setting up joint ventures between forestry and agriculture. He stated: Setting up joint ventures between forestry and agriculture constitutes a new way undertaken by counties in developing their forestry production, which have still maintained a combination between government functions and enterprise management. Such a new way may reduce the number of forestry workers and increase agricultural incomes. He highly praised the experience gained by Mohe County in bringing into full play its strong point of natural resources, carrying out solid development, and establishing lateral economic associations to make the economy prosperous in the border areas.

During their inspection tour, they also visited three workers' households, including Zhang Honghai's home, to inquire about their living conditions.

Vice Premier Tian Jiyun made a special trip to Beiji Village to visit fighters of the PLA units in the border areas and to extend his cordial regards to them. He also visited the kindergarten of Mohe County and the park of virgin forests.

Vice Premier Tian Jiyun and his entourage left our province on 12 September.

'MANY' CYL MEMBERS TURNING TO RELIGION

HK290557 Hong Kong HONGKONG STANDARD in English 29 Sep 86 p 7

[By David Wong and Ian Chung]

[Text] Many members of China's Communist Youth League have quit the organisation to turn to religion and forced the mainland authorities to call for a study of the new development in detail.

The league is an important component of the party structure. It grooms young leaders for national leadership. Past members have included Mr Hu Qili, a politburo member now tipped to succeed Secretary General Mr Hu Yaobang.

The problem is especially pronounced in Shanghai which has a large number of churches.

Christian and Catholic churches are not the only magnets to the young. Chinese temples are also drawing them in.

Shanghai's famous temples such as Yu Fo, Jing Anand Long Hua are packed with worshippers many of whom are youngsters.

A main cause of this trend is believed to be the failure of political education to fire the imagination of the young. Many such education programmes are so stereotyped that the people find it boring.

By contrast, church programmes and rituals are seen as more colourful and appealing.

So every Sunday the churches in China's largest city boast a predominantly young congregation.

The authorities are more worried about the departure of league members for the church rather than the temple.

A young girl told the STANDARD correspondent in Shanghai that she left the league to join the Huadong Theologicals to preach the Gospel.

"God calls me. I feel obliged to devote myself to preaching the Gospel for the rest of my life," she said.

Churches have proliferated in the city since a relaxation of controls on religion. Freedom of worship was reestablished in 1979, followed soon after by the re-opening of the "Qing Xin Church." Another 22 churches have since re-opened.

To identify the attitudes of the youth towards religion, the municipal authorities conducted a survey in which 150 young Christians were interviewed.

One of the salient features of the findings show that families or lovers are the main sources of recruitment.

Many others say that Christianity offers them the much-needed psychological relief.

But the survey also underlines a problem among many young Christians -- a total lack of understanding of what the religion is about.

To many, Christianity "introduces Western civilisation to China and makes it move towards a capitalistic society."

However, a more serious problem prevalent among the converts is their refusal to declare their faith in public, fearing that it will become a liability to them in the future.

In spite of assurances from the authorities about freedom of worship, many people still fear reprisals if the current open-door policy is changed.

"It is better to conceal one's religion beliefs, otherwise one may face great hardships if the policy is changed overnight," a church-goer said.

FBIS DAILY REPORT

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LIAOWANG ARTICLE ASSESSES TALYZIN'S PRC VISIT

HK260312 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 p 6

[Article by Yu Jiafu [5713 1367 1788]: "Talyzin's Visit to China and Sino-Soviet Relations"]

[Text] Nikolay V. Talyzin, first deputy chairman of the Presidium of the USSR Council of Ministers and concurrently chairman of the State Planning Committee, paid a week-long official visit to China from 8 to 15 September. He was another Soviet leader visting China since the 1984 visit of Ivan V. Arkhipov, first deputy chairman of the Presidium of the USSR Council of Ministers.

Talyzin and Chinese Vice Premier Yao Yilin held two rounds of talks in Beijing in which they focused on exploring and discussing various channels to expand the trade, economic, and technological cooperation between the two countries. Premier Zhao Ziyang appraised the talks as "quite good."

Speaking of the cooperation between the two countries, Yao Yilin, who happened to visit the Soviet Union in July 1985, said the past year or so has witnessed some progress in Sino-Soviet cooperation in such fields as economic relations, trade, science, technology, and culture. Trade and economic cooperation between the two countries has developed rather fast, with a good start. The two countries may each supply what the other needs, and supplement each other. However, the scope of cooperation between the two countries is not big, nor is there much variety in its form. He pointed out that the potentials for economic cooperation between the two countries are great, and the Chinese side will make efforts to further tap potentials and to expand the scope and realm of cooperation.

Talyzin believes that under new conditions, the two countries may actively unfold cooperation in economic relations and trade. He said: "We want to point out with satisfaction that the recent active development of Soviet-Chinese economic ties is a sign of the common interest of the two countries in further deepening mutual cooperation."

The two parties came to an agreement through talks to expand the exchange of commodities between the two countries as well as local trade in border areas, and to seek new forms of cooperation, such as initiating joint ventures, production in cooperation, and compensation trade.

When the talks were over, Talyzin and Song Ping, state councillor and concurrently chairman of the State Planning Commission, signed an accord on mutual ties and cooperation between the state planning committees of the two countries. The two parties will mutually send their experts to strengthen ties between them.

Wang Pinqing, vice minister of foreign economic relations and trade, and Y.P. Bavrin, Soviet vice minister of foreign trade, exchanged four documents on trade between the two countries. They also exchanged views on the condition of implementing the 1985-1990 long-term trade accord between the two countries.

Premier Zhao Ziyang believes that many things can be done by both China and the Soviet Union in expanding economic and technological cooperation in various forms. The expansion of cooperation on the basis of equality and mutual benefit will be favorable to both countries.

Speaking on Sino-Soviet relations in his contacts with the Chinese leaders, Talyzin said: "The meetings between Soviet and Chinese statemen and politicians are entering more and more into the practice of the relations between the two countries. The Soviet Union is willing to make contributions to the continuous upgrading of Soviet-Chinese relations from now on in pursuit of lasting good-neighborly relations, of which the two great socialist countries will be proud, and the consolidation of the traditional friendship between the two countries."

At the banquet in honor of Talyzin, Yao Yilin said: China and the Soviet Union are neighbors. We are now in the 1980's, and none of us can go back to by gone days. There are good reasons why our two countries should become good neighbors.

Zhao Ziyang said to Talyzin, good-neighborly relations between China and the Soviet Union are favorable to the peoples of the two countries as well as the entire world situation. Recent years have witnessed progress in Sino-Soviet relations in such fields as economic relations, trade, science, technology, and culture. However, no substantial progress has been made in their political relations because of the obstacles existing in the relations between the two countries. It is hoped that the Soviet Union will do something about it.

The Cambodia issue is the most important of the three big obstacles affecting the normalization of relations between the two countries. The Soviet Union is capable of doing something to urge Vietnam to withdraw all its troops from Cambodia. According to Premier Zhao Ziyang, the withdrawal of Vietnamese troops from Cambodia is the crux in Sino-Soviet, and Sino-Vietnamese relations, as well as the solution to Southeast Asia issues and the relaxation of the situation in the Asia-Pacific region.

Talyzin also exchanged views with Chinese leaders on the reform of the economic structure in both countries. He believes that China has started reform earlier than the Soviet Union, which has much to learn from China in this respect. He say: "We think the task before us, like China, is to learn as quickly as possible to make the fullest use of the great potentialities of the socialist system."

Yao Yilin said, the economic and social reform underway in the Soviet Union has roused wide attention among the Chinese people. We sincerely wish success in reform to the Soviet Union. China has carried out reform in the economic structure for some time now, and will carry out reform in the political structure as well. He believed that in the course of reform, exchange of experiences and views will be helpful to both countries.

Talyzin made a tour of the Sijiqing Township in suburban Beijing on the afternoon of 10 September. In the township government, he asked in detail the conditions of the cooperation between the garment factory under the jurisdiction of the township government and the FRG businessmen, and the proportion of profit divided between the enterprise and the government. In a peasant's home, Talyzin was briefed on the experiences of contracted production, at his own special request.

This Soviet leader in the economic field, who had visited China as an engineer in 1964, was impressed by some newly-built projects in Beijing. According to him, the Chinese contingent of construction workers is admirable.

IZVESTIYA ARTICLE ON PACIFIC PROBLEMS CHALLENGED

HK251506 Beijing RENMIN RIBAO in Chinese 19 Sep 86 p 6

["Jottings" by Sai Bei [1049 0554]: "Necessary Prerequisite"]

[Text] The Soviet newspaper IZVESTIYA recently carried an article on the Pacific region, saying that "there exists a hidden danger of regional conflicts that may be triggered from time to time in this region." Attributing this mainly to the "existence of the U.S. network of bases spread all over the western Pacific region," the article asserted that the Soviet Union "never wants to force any ideological concepts or development modes upon" the Asian Pacific countries but wishes to "coexist peacefully and cooperate" with the peoples in this region. This argument can hardly convince readers since it tries to shift on to the United States alone the responsibility for all the issues of the Western Pacific region.

It is true that there is a network of U.S. bases in the western Pacific Ocean. But the Soviet Union itself has also correspondingly built its own network of bases which stretches from Vladivostok through Cam Ranh Bay to the Indian Ocean. Why did IZVESTIYA not mention this? What is more, it was the contention between the two superpowers in the western Pacific region that led to the Soviet Union's support for Vietnam's invasion of Cambodia and the Soviet invasion of Afghanistan; and it was the Soviet support for the invasion of Cambodia that enabled the Soviet Union to easily obtain Cam Ranh Bay from Vietnam. IZVESTIYA exposed what the United States had done, but tried to ignore what the Soviet Union had itself done. Such an attitude can hardly convince others of the Soviet Union's sincerity in its promise to coexist peacefully with the peoples in the Asian Pacific region.

At the moment there are two regional conflicts in the Asian Pacific region, one in Cambodia and the other in Afghanistan, both with the Soviet Union's support or involvement. Therefore, an end to these two conflicts would be a necessary prerequisite to convince the people in the Asian Pacific region of the possibility of peaceful coexistence with the Soviet Union.

HSIN WAN PAO VIEWS SINO-SOVIET RELATIONS

HK250815 Hong Kong HSIN WAN PAO in Chinese 25 Sep 86 p 1

["News Talk" column: "Sino-Soviet Talks; Li Xiannian To Visit Korea"]

[Excerpts] There are two new moves in Sino-Soviet relations. One was the New York meeting of foreign ministers Wu Xueqian and Shevardnadze, and the other is the news that the ninth round of talks between the special envoys of the two countries will be held in Beijing beginning 6 October. [passage omitted]

It appears that the question of regarding the main navigation line of the Heilong Jiang as the international boundary will be the focus of this round of talks. The withdrawal of Soviet troops from Mongolia may also be raised. However, it seems that progress will be difficult in the other two of the three main obstacles in relations between the two countries (the situations in Afghanistan and Cambodia).

Two days ago, speaking at the UN General Assembly, Soviet Foreign Minister Shevardnadze still described the antigovernment guerillas in Afghanistan as "mercenary bandits," and the Cambodian people's struggle of resistance against Vietnam as a war against a "legitimate government." This is clearly not an approach for preparing to resolve the situations in Afghanistan and Cambodia.

Another question that merits attention is that the Soviet Union has recently gained port entry rights in a second military port in the northern part of the Korean peninsula. Originally the Soviet Pacific Fleet had gained North Korea's agreement for entry into Wonsan on the east coast for rest, refitting, and supply. It has recently been rumored that the fleet has gained port entry rights into Nampo on the west coast southwest of Pyongyang).

Nampo is by no means on the normal routes of the Soviet Pacific Fleet; and it is opposite Lushun, China's main naval base. China will probably ask the Soviet foreign minister to explain what this move means.

It is rumored that U.S. Defense Secretary Weinberger will visit China in mid-October to discuss naval matters. China's state President Li Xiannian will visit Korea from 3 to 6 October. All these moves are worth watching.

HEILONGJIANG DELEGATION VISITS USSR'S KHABAROVSK

SK262350 Harbin HEILONGJIANG RIBAO in Chinese 7 Sep 86 p 1

[Text] At the invitation of (Duomagaiersiji), chairman of the Khabarovsk Kray Branch of the USSR-CHINA Friendship Association, a three-member delegation from the Heilongjiang Provincial Branch of the China-USSR Friendship Association, led by Wang Luming, adviser to the Heilongjiang Provincial Branch of the China-USSR Friendship Association and vice chairman of the Northeast China Economic Zone Planning Office, paid a friendly visit to Khavarovsk Kray from 31 August to 5 September.

During its staying in the Soviet Union, the delegation visited plants, schools, farms, hospitals, museums, and Birobidzhan Jewish Autonomous Region.

Members of the delegation were warmly and friendly received by the Soviet people wherever they went. Respectively receiving and feting the delegation were (Bobofu), plenipotentiary of the State Planning Committee in the Far East Economic Zone; (Daniliuke), chairman of the Khabarovsk Kray Executive Committee; and responsible persons of the Khabarovsk Kray Branch of the Soviet Association for Friendship and Culture With Foreign countries, and the local Soviet-China friendship associations. Both parties frankly exchanged views on further developing friendly relations.

The delegation returned home by train on 6 September.

POLAND'S JARUZELSKI WINDS UP VISIT TO PRC

Deng-Jaruzelski Meeting

HK291320 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1046 GMT 29 Sep 86

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE) -- This morning, Chairman Deng Xiaoping of the CPC Central Committee's Advisory Commission met Jaruzelski, leader of the Polish party and government.

Jaruzelski first said cheerfully: The Chinese people have always said that all roads lead to Beijing. That is why I am here.

Deng Xiaoping said: We have had both positive and negative experience in construction over the past 30 years or more. Above all, we have built a socialist country. This is a success. The socialist transformation after liberation was also quite successful. However, we also have learned great lessons. For example, we have not satisfactorily solved the problem of what kind of socialism to build. During the "Cultural Revolutionary people even called for a version of socialism characterized by poverty According to Marixst theory, communism is distribution according to need. If the country is poverty-stricken, what can it offer to distribute? This strange view is a reflection of our incorrect understanding of socialism after the 1950's. Because of the prolonged stress on grasping class struggle as the key link, the improvement of the people's livelihood was neglected.

Deng Xiaoping continued: Since the smashing of the "gang of four," we have corrected these mistakes. After hesitating for 2 years, in 1978 we began shifting the focus of our work to construction. Over the past 7 years, we have made some achievements. However, we have not yet completely shaken off poverty. Foreign friends from various parts of the world have told us that we are quite successful. However, we must not get carried away by our present success. The present is just an initial step.

Deng Xiaoping also informed the visitor of China's objectives, that is, to make China a well-off country by the end of this century and to equal the developed countries in 30 to 50 years, during the next century. He said: By then, we will be able to contribute more to mankind and to make preparations for the fulfillment of our communist ideal.

Deng Xiaoping said: China's reforms may differ from many of Poland's because they are based on our own actual circumstances. However, they share the same overall goals, that is, first, to consolidate the socialist system; second, to develop socialist productive forces; and third, to develop socialist democracy and to arouse the people's enthusiasm. In arousing the people's enthusiasm, the most important thing is to raise the people's living standards.

Deng Xiaoping said: What China is now carrying out is a grand experiment. Mistakes are unavoidable. However, so long as we courageously explore and correct whatever mistakes we have made, we can avoid serious mistakes.

Commenting on the international situation, Deng Xiaoping said: After observing many things, China has altered its two most important views. The first one is its view on war. For quite a long time we held that war was inevitable. Now, we think that it can be avoided. The second view is in its foreign policy. China pursues a peaceful foreign policy of independence and keeping the initiative in its own hands. This is conductive to peace and helps avoid war.

Deng Xiaoping suggested that it would to a pity if the present peaceful environment was not properly used to carry out construction. He said: Only after our country has developed can we show that the socialist system is superior to the capitalist system. Otherwise, we will not be in a position to say this, not to mention fulfilling our ideal.

Jaruzelski briefed his host on Poland's domestic situation and on his views on some international issues, expressed his hope for cooperating with China, and thanked Deng Xiaoping for meeting him. He said: This visit is an important step toward developing Sino-Polish cooperation. The Polish people remember that when Poland Adopted emergency measures during difficult times, China showed its understanding. We value this because only in adversity can one discover genuine friendship.

Their meeting, which lasted for an hour and a half, was held in the Fujian Room of the Great Hall of the People.

Li Xiannian Meets Jaruzelski

OW291418 Beijing XINHUA Domestic Service in Chinese 1316 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- During a meeting today with Wojciech Jaruzelski, first secretary of the Polish United Workers Party and chairman of the State Council of the Polish People's Republic, President Li Xiannian officially invited Jaruzelski to pay an official visit to China at his convenience.

Jaruzelski, who is making a working visit here, thanked for the invitation. He also invited President Li Xiannian to visit Poland. Li Xiannian accepted the invitation with pleasure.

Li Xiannian said: China and Poland do not have conflict of interests. The two countries have a common aspiration; namely, disarmament and peace. He added: your current visit to China is of great significance. The visit will become an important milestone in the history of the development of relations between the two countries.

Li Xiannian said he was pleased to see the successes the Polish people have made under Jaruzelski's leadership in building and developing their country according to its actual situation.

Jaruzelski said that his visit was important and successful. Although the visit is short, he said, the two sides have had effective [you xiao di 2589 2400 4104] discussions at the highest level. These discussions mark the beginning of a new stage of Polish-Chinese cooperation.

He said: Polish-Chinese relations have a traditional foundation, and the two countries have common socialist objectives. They share similar views on issues such as opposing nuclear arms race, and the two peoples have the same aspirations of safeguarding peace. He said that wherever his delegation went, its members were warmly received by the Chinese Government and people, and they could see with their own eyes that the Chinese people are working hard to accomplish their reform projects. He said the members of his delegation will tell the Polish party, working class, and people of these impressions.

Song Jian Meets Szalajda

OW291640 Beijing XINHUA in English 1628 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and State councillor and minister in charge of State Science and Technology Commission Song Jian met Zbigniew Szalajda, vice-chairman of the Council of Ministers of Poland on separate occasions here today. Zbigniew Szalajda came to China with the visiting Jaruzelski.

Tian and Szalajda had discussions mainly on the further economic and trade cooperation between China and Poland.

Szalajda said that instead of remaining on its traditional stage, the trade relationship between China and Poland should have a change in essence under the effort of the two sides. He hopes that the two sides should cooperate in fields of mining, machine building, car industry and food processing.

Tian said that Chinese departments concerned will take an active attitude of studying and seeking possibilities for further expanding the bilateral cooperation. The two sides should also explore the possible cooperation in labour contracts besides those mentioned by Szalajda, he added.

Song Jian exchanged views with Szalajda on further scientific cooperation between the two countries at the meeting.

Cultural, Scientific Accord Signed

OW300818 Beijing XINHUA in English 0807 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- An agreement for cultural and scientific cooperation between the Chinese and Polish Governments was signed here today. Present at the signing ceremony were Chinese Premier Zhao Ziyang, and visiting Polish leader Wojciech Jaruzelski.

According to the document, the two sides will develop exchanges and cooperation in culture, art, science, education, higher education, press, radio and television, medical and health work, social welfare, sports and tourism.

Chinese Vice-Minister of Culture Liu Deyou and Polish Vice-Minister of Foreign Affairs Jan Majewski signed the agreement on behalf of their respective governments.

Visit Ends, Communique Issued

OW300712 Beijing XINHUA in English 0656 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Chinese and Polish leaders are satisfied with the friendly relations and cooperation, which are based on mutual respect, equality and mutual benefit, between the two countries and two peoples, particularly the smooth progress in their relations in recent years.

This was contained in a press communique issued here today on the visit to China of Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the State Council of the Polish People's Republic.

During his working visit to China from September 28 to 30, Jaruzelski met Chinese party and state leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang. The meetings proceeded in an atmosphere of "sincerity, mutual respect and mutual understanding," the communique says.

Chinese and Polish leaders spoke highly of the two countries' political dialogue and they held that such dialogue should continue.

The two sides attached great importance to the ties established between the Chinese National People's Congress and the Polish parliament and held that relations between the two countries' social and political organizations should be strengthened so as to help increase the traditional friendship and mutual understanding between their peoples, the communique says.

The two sides also expressed satisfaction with the rapid growth in the bilateral economic, trade, scientific and technological relations.

They stressed the necessity of developing new and more effective ways of cooperation, including cooperation in production and joint ventures.

They decided to strengthen the two countries' contacts in the fields of culture, art, science, education, public health and sports and between press institutions, and expand the content of cooperation in these fields.

They stressed that there are good prospects for the two countries to expand cooperation in various fields.

During Jaruzelski's visit, the two sides signed an agreement on cooperation in culture and science.

Chinese and Polish leaders exchanged views on a wide range of international issues, deeming it most urgent for all the countries to stop the arms race and keep world peace. They also believed that all the countries, despite their unequal size and strength, could and should contribute to world peace. Both sides said the international relations should be based on peaceful coexistence, no use of arms nor threat of force. The conflicts and tensions in various regions should be settled as far as possible through political means, they added. They expressed their application of and support for the role of the Non-Aligned Movement in striving to eliminate the danger of war, build up a new international economic order and find a fair solution to debt problems. They also spoke highly of the achievements in the recent Harare summit of the non-aligned countries.

The Chinese and Polish leaders also briefed each other on the social and economic situation in their own countries, and had in-depth exchange of experiences in socialist construction, especially in economic restructuring.

The Chinese side highly appraised achievements made by the Polish people in recent years in overcoming difficulties, stabilizing social and political situation, restoring and developing national economy and carrying out economic reform.

The Polish side paid high tribute to the Chinese people's achievements in the socialist construction and expressed its appreciation of their successes in the implementation of the modernization program and development plan.

Jaruzelski invited Hu Yaobang, Zhao Ziyang and Li Xiannian to visit Poland. The invitations were accepted with pleasure.

The Chinese leaders invited Jaruzelski to come to China again for an official visit at a time convenient to him. Zhao Ziyang asked him to convey his invitation to Zbigniew Messner, chairman of the Council of Ministers, to visit China. These invitations were all accepted with pleasure.

Zhao Ziyang Farewells Jaruzelski

OW300826 Beijing XINHUA in English 0810 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Wojciech Jaruzelski, first secretary of the Polish United Workers' Party Central Committee and chairman of the State Council of the Polish People's Republic, wound up his working visit to China and left here for home this morning.

Earlier, Chinese Premier Zhao Ziyang bade him farewell at the Diaoyutai State Guest House.

Zhao said Jaruzelski's "brief, successful" visit was of great importance to the further friendly cooperation between the two countries."

The talks between Jaruzelski's and the Chinese leaders have been beneficial, Zhao said.

He said Chinese leaders are glad to be acquainted with Jaruzelski, whose China visit has raised the Sino-Polish contacts to the top level.

Contacts between the top leaders of the two countries are important to the mutual understanding and mutual trust, he said. Zhao expressed the belief that such contacts would continue.

Jaruzelski considered his China visit "fruitful." "We share the common sincere wish to develop friendship and cooperation between the two countries and respect each other's choice of ways to develop the national economy of their own countries," he said.

The talks he held with the Chinese leaders, he said, were candid, concrete and full of initiatives.

The delegation was "deeply impressed" with China's rapid development, and it attached great importance to Sino-Polish exchanges, he said. He expressed the belief that Sino-Polish cooperation in various fields would continue.

Seeing Jaruzelski and his party off at the airport were Wu Xueqian, Chinese state councillor and foreign minister, Yu Hongen, co-chairman of the Sino-Polish Committee for Cooperation in Economy, Trade, Science and Technology and minister of coal industry.

Jaruzelski Cables Thanks

LD300916 Warsaw PAP in English 0830 GMT 30 Sep 86

[Text] Beijing, Sept. 30 -- Upon his departure from Beijing Wojciech Jaruzelski sent the following cable:

Comrade Hu Yaobang

Secretary General of the Central Committee of the Chinese Communist Party

Comrade Li Xiannian

President of the People's Republic of China

Comrade Zhao Ziyang

Premier of the State Council of the People's Republic of China

Beijing

Leaving the hospitable capital of your country, I would like to thank you for the cordial reception extended to us by the highest authorities of the People's Republic of China and you yourselves, dear comrades.

I am convinced that the decisions made in the course of our talks will contribute to the tightening of traditional ties of friendship and development of fruitful cooperation between both our socialist states.

I wish the befriended people and Communists of China and you personally new achievements in socialist building and in efforts in favour of consolidating peace and cooperation between nations.

Wojciech Jaruzelski

First Secretary of the Central Committee of the Polish United Workers Party, President of the Council of State of the Polish People's Republic.

AFP Report Notes Controversy

HK300734 Hong Kong AFP in English 0657 GMT 30 Sep 86

[Text] Beijing, Sept 30 (AFP) -- Polish leader Wojciech Jaruzelski left here Tuesday after a whirlwind visit during which Poland became the first close Soviet ally in more than 25 years to restore direct Communist Party ties with China.

Calling the Polish leader's 46-hour visit a "big success," Chinese Foreign Minister Wu Xueqian said Gen. Jaruzelski and Chinese leaders had discussed the issue of the relations between the Polish United Workers' Party and the Chinese Communist Party (CCP).

"Naturally we dealt with this subject," Mr. Wu told reporters at the airport after Gen. Jaruzelski had boarded the special plane taking him back to Warsaw.

Polish sources said Gen. Jaruzelski's plane would make a refueling stop in Novosibirsk in the central Soviet Union and not be making a stopover in Moscow as earlier reported.

CCP chief Hu Yaobang, President Li Xiannian and Premier Zhao Ziyang all accepted Gen. Jaruzelski's invitation to visit Poland. The invitation was extended at the first meetings since the early 1960's among leaders of China and a Soviet bloc country other than Romania.

Mr. Wu said that Chinese and Polish leaders had exchanged experiences on economic development in their countries. "They shared some common views on the subject, as well as on international problems," he said.

"As the Chinese proverb goes, when the water starts to flow, a canal is opened," he said.

During his meeting with Gen. Jaruzelski -- which constituted de facto resumption of party-to-party relations -- Mr. Hu said that improving relations between China and Eastern bloc countries would exert a positive influence on Sino-Soviet relations, a source close to the Polish delegation said.

Shortly before his departure, Gen. Jaruzelski told Mr. Zhao that Sino-Polish cooperation would henceforth develop "in all fields" and that it was "beneficial to the cause of peace and of socialism," sources said.

Beijing and Warsaw Monday signed an agreement on cultural and scientific cooperation, covering the arts, education, the press, radio and television, health, sports and tourism.

Sources close to the Polish delegation said Chinese leaders had received Gen. Jaruzelski with great warmth. Controversial issues such as Cambodia and Afghanistan -- which Beijing says are obstacles blocking normalization of relations with Moscow -- were not raised during his visit, they said.

East German leader Erich Honecker is due to visit Beijing in late October, and is expected to be followed by senior officials from other East European countries.

The visits are the result of the thaw in Sino-Soviet relations of the past few years.

TELEVISION REPORTS CPC'S 28 SEP PLENARY SESSION

OW291416 [Editorial Report] Beijing Television Service in Mandarin on 28 September shows two separate films on the 6th Plenary Session of the 12th CPC Central Committee being held in Beijing on 28 September. The two films -- a 5-minute film shown during the regular 1100 GMT newscast and a 25-minute news feature shown at 1135 GMT immediately following the newcast -- only mention "Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun, Standing Committee members of the Political Bureau of the CPC Central Committee." More than 40 CPC and PRC leaders -- although neither are mentioned by the announcers nor identified by film captions -- are shown attending the 28 September plenary session held at the Great Hall of the People. Two announcers summarize the plenary session's communique and read "excerpts" of the session's resolution on the guiding principles for building a socialist society with an advanced culture and ideology.

Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun are given individual close-up treatment in this order. No other leaders attending the session are shown in individual closeup shots. The films show Hu Yaobang as the one and only speaker at the session. The five Standing Committee members of the Political Bureau are shown sitting at a long table facing 18 rows of seats in a large conference room. Deng Xiaoping is seen sitting in the center. Hu Yaobang and Li Xiannian are to the left of Deng Xiaoping and Zhao Ziyang and Chen Yun are to the right. The five top leaders are sitting with their backs to a large CPC emblem hanging on a heavy curtain. The CPC emblem is flanked by 10 red flags. These leaders are shown raising their hands to "adopt" the session's resolution and are also shown applauding the "adoption" of the session's communique.

The following leaders, shown sitting in different rows, are neither mentioned by the announcers nor identified by film captions. Peng Zhen is sitting in the center of the front row and facing Deng Xiaoping. Sitting on the left-hand side of Peng Zhen are Xi Zhongxun, Tian Jiyun, Yang Shangkun, Wu Xueqian, Hu Qiaomu, Yao Yilin, Qin Jiwei (in PLA uniform), Chen Pixian, and Hao Jianxiu, in this order. Sitting on the right-hand side of Peng Zhen are Wan Li, Fang Yi, Qiao Shi, Yang Dezhi (in PLA uniform), Yu Qiuli (in PLA uniform), Hu Qili, Ni Zhifu, Chen Muhua, Deng Liqun, and Wang Zhaoguo, in this order.

The camera pans the following leaders, sitting in an unidentified row: Ulanhu, Wei Guoqing, Huang Hua, Yang Yichen, Kang Keqing, Ma Wenrui, Wang Enmao, and Qian Xuesen (in PLA uniform). Another pan shot shows the following leaders sitting in an unidentified row. Bo Yibo, Song Renqiong, Wang Shoudao, Wu Xiuquan, Liu Lantao, Jiang Hua, Li Desheng, and Xiao Ke. Yang Chengwu and Li Ruihuan are shown seated in the fifth row. Zhang Jingfu is shown seated in the sixth row. Xu Huizi is shown seated in the ninth row. Seypidin Aizezi is shown seated in the 10th row. Another pan shot shows Duan Junyi, Ji Pengfei, Cheng Zihua, and Wang Heshou sitting in an unidentified row. Chen Xilian is also shown sitting in an unidentified row.

The 5-minute film shown during the newscast ends with a break in satellite transmission, lasting about 1 minute.

SONG RENQIONG, BO YIBO CHAIR ADVISORY PLENUM

OW291521 Beijing XINHUA in English 1458 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- The Central Advisory Commission of the Chinese Communist Party held its Sixth Plenary Session here Sunday.

Commission Vice-Chairmen Bo Yibo and Song Renqiong presided over the meeting attended by 160 members.

According to a session communique issued today, participants voiced their unanimous support for the resolution "Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology," adopted the same day by the sixth plenary session of the party's 12th Central Committee.

The participants said that they would join the party to earnestly study and implement the resolution, which is described as a guideline for building China into a socialist society with an advanced culture and ideology in the new historical period.

Vice Chairman Bo gave a speech during the meeting on the implementation of the new resolution.

The participants also endorsed the Central Committee's decision to convene in October next year for the 13th national congress of the party.

RENMIN RIBAO ENCOURAGES STUDY OF CPC RESOLUTION

OW292320 Beijing XINHUA Domestic Service in Chinese 1643 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- RENMIN RIBAO 30 September editorial: Give Top Priority To Studying the Document

On the eve of the 37th anniversary of the founding of the Nation, the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology", adopted at the 6th Plenary Session of the 12th CPC Central Committee has been made public. This is an instructive document which will healthily guide China to forge ahead in bringing about cultural and ideological progress. Its publication is a major event in China's political life.

What is a culturally and ideologically advanced socialist society? How can we promote socialist culture and ideology? These are issues that the whole party and all the people in the country will be contemplating and exploring after the task of enhancing the country's cultural and ideological progress is included in the daily agenda. In the theoretical field during the past few years, we have continuously broadened and deepened our understanding in promoting cultural and ideological progress. We have also continuously been innovative in the course of carrying out this practice. Naturally, this is, after all, a new subject. The whole party and those inside and outside the party are not yet very familiar with this subject and are still exploring. Since this is an exploratory phase, it is impossible to see all the issues clearly. That is only natural. This resolution adopted by the 6th Plenary Session of the 12 CPC Central Committee has summarized the practical experience of the whole party and all the people throughout the country; pooled the wisdom of the whole party, and assimilated the suggestions of many comrades outside the party. It has also provided explicit answers to questions raised by many comrades in their thoughts and in their actual work. It is a fine Marxist document.

Right now, the most important task facing the whole party and the people of all nationalities in the country is to earnestly study deeply, examine, and clearly comprehend the basic viewpoints expressed by the "resolution" and strive to understand them accurately and in an overall manner.

In the past, a great deal of time was spent in studying documents issued by the central authorities. Many of the units have studied them well, while some units and comrades have not studied them well. The main issue is that they fail to understand them in close connection with their thoughts and actual work. They only study perfunctorily without trying to understand them. In studying this document, we must seriously examine and explore it. Under no circumstances should we hurriedly issued directives and orders without studying them well. Party and government organs must not act like this, nor should propaganda units. Those who act like this are only paying lip service. They are useless and harmful. Only by earnestly studying and exploring, understanding the basic viewpoints and guidelines and the main requirements of the "resolution" and fully realizing the actual situation, will it be possible to link theory with practice, make correct preparations for our work and contribute to promoting the cultural and ideological, as well as material progress.

The Chinese nation had a fine ancient civilization that played a leading role in the world. The Communist Party of China and the people of all nationalities throughout China have a glorious, revolutionary tradition. By uniting even more closely and forging ahead courageously and unremittingly along the path opened up by the 3d Plenary Session of the 11th CPC Central Committee and toward the direction pointed out by the 6th Plenary Session of the 12th CPC Central Committee, the whole party and the people of all nationalities in the country will definitely be able to build a highly developed socialist society with cultural and ideological, as well as material progress, while living up to the expectations of our predecessors and our times.

QIAO SHI PREDICTED TO SUCCEED HU YAOBANG

OW291439 Tokyo KYODO in English 1431 GMT 29 Sep 86

[Text] Hong Kong, Sept. 29 KYODO -- Qiao Shi, member of the Chinese Communist Party Politburo, has emerged as the likely candidate to succeed current party General Secretary Hu Yaobang, according to reports here Monday.

The CHENG MING, a Chinese-language journal published in Hong Kong, reported that Beijing Government sources have named Qiao Shi as the possible candidate to head the Central Committee Secretariat, following the 13th party congress scheduled for October 1987.

The report carried in the journal's October 1 edition also says that Political Bureau members charged with determining who will succeed Hu Yaobang have decided that Hu Qili, second-in-line to the position until now, lacks the experience necessary for the post.

According to the article, while Politburo members appreciate Hu Qili's contributions to reforms in the political system, they are not confident of his leadership qualities.

On the other hand, Qiao Shi commands not only the confidence of both Chinese leader Deng Xiaoping and Hu Yaobang, but has gained valuable party experience through his positions on the influential Politburo, the Central Committee Secretariat, and as head of the Central Commission of Political Science and Law.

PLA DAILY ON VALUE OF SPIRITUAL CIVILIZATION

OW300319 Beijing Domestic Service in Mandarin 2315 GMT 29 Sep 86

[Report on 22 September JIEFANGJUN BAO article by (Zhuge Lizhao): "Think Over the Strategic Importance of Building a Spiritual Civilization"]

[Text] The article says: One would be biased if one were to think that strengthening the building of a spiritual civilization is aimed only at solving new, complicated problems occurring in the course of carrying out reforms and opening to the outside world. We call for strengthening the building of socialist spiritual civilization under the following historical requirements:

First, the stress of work for the whole party has been shifted to modern economic construction, and the basic task for the people throughout the country is to concentrate their efforts on the development of the social productive forces.

Second, we must carry out reforms in order to achieve modernization.

Third, opening to the outside world has become one of our unshakeable national policies.

Fourth, in undertaking the modernization drive, carrying out reforms, and opening to the outside world, we must adhere to the socialist orientation.

This shows that the building of spiritual civilization is now stressed not because there are serious problems in this regard but because higher requirements are set for the building of spiritual civilization as a result of the modernization drive, the reform of the economic structure, the reform of the political system, and the opening to the outside world. They include requirements for fostering an ideology and ideas meeting the needs of modernization.

How can we coordinate our efforts to build a spiritual civilization with those to carry out reforms and promote, instead of impeding or restricting the latter with the former? How can the building of a spiritual civilization help our people learn and acquire the great achievements of modern civilization in several decades, integrate them with our actual conditions, and test and develop them in practice? All these require us to realize the strategic importance of building a socialist civilization and to understand correctly the requirements for the building of a spiritual civilization set by a new situation in undertaking the modernization drive, carrying out reforms, and opening to the outside world. In addition, we should also firmly foster this idea: Now and for a fairly long time to come, we must undertake economic construction as our central task, resolutely carry out the reform of the economic structure and the political system, and firmly strengthen the building of spiritual civilization.

The building of a socialist spiritual civilization is a task of great importance concerning the success or failure of socialism. History has entrusted us with the responsibility to carry out this important task well.

MARSHAL NIE RONGZHEN LAUDS LONG MARCH SPIRIT

OW270811 Beijing XINHUA Domestic Service in Chinese 0037 GMT 25 Sep 86

["Newsletter" by XINHUA reporter Guo Diancheng: "The Spirit of the Long March Will Shine Forever -- Visiting Marshal Nie Rongzhen"]

[Excerpts] Beijing, 25 Sep (XINHUA) -- "Your visit is welcome. This year marks the 50th anniversary of the victory of the Long March. I am very happy." "If you want to take pictures, please take good ones to show the Long March spirit of a veteran Red Army fighter."

On the morning of 13 September when we entered Marshal Nie Rongzhen's office, he warmly greeted us and wittily made the above remarks. [passage omitted]

Marshal Nie Rongzhen was one of the leaders during the early period of our party and army. In the central base areas at that time he had assumed the post of deputy director of the General Political Department of the Red Army and was later appointed political commissar of the Red Army's First Army Group. He led this valiant main force of the Red Army to fight on many fronts and win great war deeds for the party and the people.

Recalling past events, he said with emotion: "On 11 October 1934, the Central Military Commission issued an order for the Long March. On 16 October, the Central Red Army left the Ruijin area. When we crossed over the Gandu He at sunset, I was, like many Red Army commanders and fighters, very emotional and repeatedly looked back to gaze at the central base area built by commanders and fighters of the Red Army and the masses with their blood and lives. We waved farewell to our fighting comrades and the local people." [passage omitted]

After pausing for a while, Marshal Nie said: "Reviewing past events, today we can see that although the consequences of the erroneous line were extremely serious and the 10,000 li marching road extremely arduous, the Zunyi Conference changed the party's leadership and established Chairman Mao's correct leadership. It was a great historical turning point and our army quickly changed from being passive to taking the initiative." [passage omitted]

Recalling the Zunyi Conference, he said: After crossing the Xiang Jiang, a wound on my foot was festering, and I had to rely on a stretcher for the march. Sometimes I marched with the column of the Central Military Commission. At that time, Comrade Wang Jiaxiang also had to use a stretcher due to his wound. We often exchanged our opinions and were convinced that facts proved that Bo Gu and Li De were incapable and we should let Comrade Mao Zedong assume leadership. This was also a question being considered by the broad masses of Red Army commanders and fighters at that time. Comrade Zhou Enlai, who was the principal responsible person of the Central Military Commission, had realized that Comrade Mao Zedong's opinions were correct and relieved Li De's military command authority before the conference. The attitude of Comrades Zhou Enlai and Wang Jiaxiang played a key role in achieving success at the Zunyi Conference. The conference was held in a tense mood. Mao Zedong was the first speaker to systematically criticize the mistakes of Bo Gu and Li De. Wang Jiaxiang was the next speaker and supported Mao Zedong. This was why Mao Zedong said during the "Great Cultural Revolution" that Wang Jiaxiang cast "a key vote" at the Zunyi Conference. The overwhelming majority of the Zunyi Conference participants, including Bo Gu, understood and took the whole situation into consideration. They were loyal to the cause of the party and highly demonstrated the Marxist principle.

The conference adjusted the cnetral leading organ and ended the rule of "left" line in the party Central Committee. People praise the conference as the greatest turning point for our party, our army, and the Chinese Revolution. They do so quite appropriately. [passage omitted]

Recalling the battles during the Long March, Marshal Nie was full of pride and enthusiasm. He said: When we crossed Dadu He, Comrade Liu Bocheng and I inspected the historical scene on the river bank and were deeply proud of the dauntless fighters of the Red Army. When the Red Army took Luding Bridge, Comrade Liu bocheng was greatly excited. He could not help stamping his foot and saying: "We have made so much effort to take Luding Bridge. Now we have won a victory!" I also emotionally said: "We have won a victory!"

Our will was tested by the arduous situaton. The victory was not easily won. Marshal Nie said: During the Long March, the Red Army broke through numerous enemy barricades and went through ten thousand crags and torrents. The ideals of seeking liberation and the spirit of arduous struggle enabled the Red Army to overcome all kinds of difficulties. This great practice has proven that under the correct leadership of the party, fighters with communist beliefs are invincible.

Marshal Nie recently wrote an article, in which he said: "For 50 years, the poetic history of the Long March has been the valuable spiritual wealth of the Chinese people. It has encourage millions of revolutionaries to struggle for the cause of the people's revolution and won a series of brilliant victories." "Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, people of our country have embarked on the new Long March for the goal of realizing the four socialist modernizations. This road is also very arduous. We must inherit and carry forward the revolutionary spirit and honorable tradition of the Red Army's Long March in order to achieve our desired goal." [passage omitted]

We spontaneously remembered a past event: During the spring festival in 1982, Song Renqiong, Yang Shangkun, and other central leaders went to a hospital to visit Marshal Nie who had just recovered from a serious illness. Upon meeting them, Marshal Nie said: "This time I went to the Palace of Hell and returned. I think I will leave the hospital after the days of the Spring Festival." Comrade Yang Shangkun advised him not to do so and said: "Please don't be in a hurry to leave the hospital." Marshal Nie said: "I still have to take part in the new Long March. I cannot stay in the hospital." Yang Shangkun said with a smile: "Right, we have to break through Lazikou." Marshal Nie said: "Go to Wuqi Township." Song Renqiong said: "We will also go to Wayaobao." Yang Shangkun said: "We will also cross the Huang He and go east." At that time, all the people there were deeply moved by the encouraging words of those veteran comrades.

Over the last 4 years, Marshal Nie has made major contributions to the cause of the party and people with a determined mind and spirit of devotion on the road of the new Long March. He read newspapers, documents, and people's letters and made contact with various people. He promptly made suggestions to the party Central Committee whenever he learned of problems in the work of the party and state. Once, he saw letters from a number of scientific and technological personnel. Those letters reflected a situation in which some units discriminated against intellectuals politically and there were problems such as some scientific and technological cadres' outmoded knowledge and mistakes in deciding job titles for those cadres. After investigations and study, he wrote a letter to the Bureau for Scientific and Technological Cadres under the State Council. The letter listed problems reflected by scientific and technological cadres and proposed some suggestions for properly solving those problems.

Comrade Hu Yaobang saw the letter and held that Marshal Nie's suggestions were very important and asked departments concerned to seriously discuss the matter and promote the implementation of the party's policy for intellectuals. As vice chairman of the Central Military Commission, Marshal Nie was very much concerned about army building and always thought about the difficult living condition of frontier fighters. Last year, he expressed many opinions on military building and the new situation and new problems as a result of the streamlining and building the army. His suggestions were accepted by the Central Military Commission, and some major problems were solved.

At the conclusion of our visit, Marshal Nie held a reporter's hand and said: "On the occasion of commemorating the 50th anniversary of the victory of the Red Army's Long March, please convey my greetings to all the heroes who took part in the Long March. I also wish to express my deep grief in mourning the heroes who sacrificed their lives in the Long March!"

YANG SHANGKUN AT CEREMONY FOR 'LONG MARCH' ALBUM

OW270128 Beijing XINHUA in English 1732 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- "China -- the Long March", a large photo album, was published here today in celebration of the 50th anniversary of the success of the famous Long March (1934-35).

The album, consisting of more than 350 photos, is published by the China National Publishing Industry Trading Corporation, the China Photographic Publishing House and the Intercontinental Publishing Corporation.

The Long March was a major strategic movement of the Chinese workers and peasant's Red Army which succeeded in reaching the revolutionary base in northern Shaanxi after traversing 11 provinces and covering 12,500 kilometers.

Among the 300 people attending today's publishing ceremony were Yang Shangkun, vice-chairman of the Military Commission of the Central Committee of the Chinese Communist Party, Yu Qiuli, Director of the General Political Department of the Chinese People's Liberation Army, some veteran Red Army soldiers and well-known figures from cultural, art and publishing circles.

Before the ceremony, Chinese Vice-Premeier Li Peng also had rushed to the occasion to extend his congratulations before he left for an African tour this evening. Li told the album's editor-in-chief, Mary-Dawn Earley, that the album would surely produce a great impact in China and the world as a whole.

Li praised Earley and others for very good work. Earley said that she was proud of the work, which she considered important.

Some 350 works in the album were selected from 100,000 phots by 20 photographers from China, New Zealand, Australia, Italy, Switzerland, the United States, France, Federal Germany, Britain and Hong Kong. They travelled and worked along the road of the Long March. Anthony Lawrence, a well-known British Asia expert, wrote the text and captions for the album.

The album, which was first sponsored for joint work by former Australian ambassador to China Stephen Fitzgerald, is published in several languages including Chinese, English, German, French, Japanese, Italian and Spanish.

Chinese painter Zhao Zhunwang did a special landscape works as a gift for verteran Red Army soldiers. The Chinese minister of national defense Zhang Aiping wrote the inscription for the painting, which is 18 meters long and two meters wide.

FACTORY DIRECTOR FUNCTIONS AS 'CENTER' OF FIRM

HK260842 Beijing RENMIN RIBAO in Chinese 25 Sep 86 p 1

[Commentator's article: 'Harmony Between the General and the Prime Minister' Alone Is Not Enough"]

[Text] When the factory director responsibility system was adopted, some people said: In an enterprise, so long as the factory director and the party secretary are on good terms, or there is a "harmonious relationship between the general and the prime minister," it will not be too difficult to manage the enterprise well, and it does not matter what leadership system is adopted.

In fact, this viewpoint underestimated the necessity of adopting the factory director system. Admittedly, things must be handled by people; but people must act in light of certain rules and regulations and must follow certain norms. As a saying goes, without the ruler and the compasses, one cannot draw a straight line and a circle. Similarly, without a good system, our work cannot be scientific, systematic, and stable.. Comrade Deng Xiapoing pointed out long ago: A good system can prevent bad people from throwing their weight around; while a bad system may hinder good people from doing good things to the full and may even turn good people into bad people. His remarks are of profound significance. In the past, in order to create better living and working conditions, people first did away with the old and irrational systems and then established new and reasonable systems. Since the founding of the PRC, we have had some painful experience in this regard. We used to attach too much importance to "rule by man" and neglected the role of laws and a sound legal system. This is not only the case with the whole country, but is also the case of individual units. We have adopted a variety of enterprise management systems in trial before, but practice has shown that the factory director responsibility system is better suited to the requirements of managing modern enterprises under the conditions of a planned socialist commodity economy. Its role can never be substituted by the good personal relations between the main leaders in an enterprise.

Of course, we do not deny the important role of a good personal relationship between the factory director and the party secretary in an enterprise. What we emphasize here is that we must not deny the more important role of a correct system. In fact, when we pursue the factory director responsibility system, we need a good relationship between the factory director and the party secretary. We also want to make it clear here that by quoting the old saying of a "harmonious relationship between the general and the prime minister," we merely mean that the factory director and the party secretary should be united and should have mutual understanding, and we do not mean that their relatioship should be equated with the relationship between the general and the prime minister. After the adoption of the factory director responsibility system, the factory director is the center of an enterprise, or is the "number one man" in an enterprise as people often say.

Thus, when the old management system, under which the party secretary is the "number one man," is replaced with the new management system, there may be the following phenomenon: The party secretary who was previously the first in command will have to give his position to the factory director and move himself to second in command. This requires that the party secretary and the factory director trust and understand each other. Therefore, the "harmonious relationship between the general and the prime minister" will be an important condition for the smooth transition from the old system to the new system.

After the adoption of the factory director responsibility system, we should pay attention to the establishment and improvement of various specific backup systems. On the one hand, we should stress a "harmonious relationship between the general and the prime minister" in day-to-day work; on the other hand, the party-administration relationship inside an enterprise must be regulated in light of some systems. This is because the party-administration relationship is not equal to the personal relationship between the party secretary and the factory director, but is the relationship between the party organization and the administrative organization. In order to properly handle this relationshiip, we must have a set of scientific rules and regulations, which clearly specify the position, role, functions, and powers of the party secretary and the factory director so that they can perform their own duties and better cooperate which each other. A strict and reasonable system will provide a reliable organizational guarantee for a durable "harmonious personal relationship between the general and the prime minister." On the contrary, an unsound system under which people may pass the buck to each other will certainly affect the unity of the enterprise leadership. If we lay too much emphasis on the personal relationship between enterprise leaders, the party-administration relationship may be put on the basis of personal relations. Once there is any personnel change, or discord appears between the party secretary and the factory director, enterprise management will be adversely affected. Enterprise leadership based on personal relations between enterprise leaders is not suited to the requirements of modern mass production. Therefore, we say that it is far from enough to merely emphasize a "harmonious relationship between the general and the prime minister." Our urgent task at this moment is to establish and perfect the factory director responsibility system as soon as possible, and improve a set of backup systems and concrete measures.

With a sound system and a good personal relationship between enterprise leaders, the factory director responsibility system will be effectively put into practice and enterprises will achieve better results in their business and production.

BANKRUPT LIAONING FACTORY'S ASSETS AUCTIONED OFF

OW260901 Beijing XINHUA in English 1742 GMT 25 Sep 86

[Text] Shenyang, September 25 (XINHUA) -- Assets of a bankrupt factory in northeast China's Liaoning Province were sold for 200,000 yuan (about 50,000 U.S. dollars) in the first property auction in China here today.

The factory was sold as an entity, and the engineering section of the Shenyang Gas Supply Company beat out 30 work units and individuals to win the bid.

An official from the supervisory committee which called for the auction said creditors will be informed of the assessment and repaid with the 200,000 yuan, the remainder exempt.

The Shenyan Explosion-Proof Equipment Factory, which made aluminum products used in hazardous occupations, had fixed assets worth 302,000 yuan (81,500 U.S. dollars). It was declared bankrupt August 3 after failing to respond to a government order to repay debts worth 503,000 yuan (136,000 U.S. dollars) within a year.

Since then, the factory's 72 workers have been looking for new jobs while receiving unemployment benefits equal to 75 percent of their original wages.

The decision to put the factory on auction was made in late August by a supervisory committee formed by representatives of the Shenyang City government and the factory's creditors and former workers, which took over the factory after it was declared bankrupt.

Bidding began at 150,000 yuan at today's auction. When the Shenyang Gas Supply Company's engineering section went for 200,000 yuan, no one bid further and the hammer fell. Then and there, the representative from the gas supply company put the check on the table and signed the auction agreement, which was countersigned by a representative of the supervisory committee before a notary public.

STOCK ISSUANCE BY TOWNSHIP FIRMS SPREADS

HK200233 Beijing CHINA DAILY in English 20 Sep 86 p 2

[By staff reporter Guo Zhongshi]

[Text] If the present experiment among rural and township enterprises of issuing stock continues to be successful as it now seems, it will be gradually spread across the country early next year, according to an official of the State Township Enterprise Bureau.

The new system is spreading rapidly as the number of rural industries increases. Among its advantages, a bureau spokesman said, are:

-- Encouraging industrialization of rural areas.

-- Helping enterprises to raise capital.

-- Strengthening the role of workers as "the real masters of their workplaces."

-- Extending the links of enterprises with other enterprises, areas and people.

Although there are many variations, the survey found the enterprises are basically doing the same thing -- selling or distributing stock, which gives owners the right to elect a board of directors who select managers and set policy, Zong Jingyao, an official of the administration department of the bureau, explained.

However, not all stock is sold for cash, nor does it all pay dividends.

There are two kinds of stock -- "cash" and "dry."

"Cash stock" can be purchased by people both inside and outside an enterprise. It has a double purpose, Zong said. "It links workers directly with management, and it promotes 'horizontal association' -- that is, it spreads outward to others a concern for the welfare of the enterprise."

At present, Zong said, such shares may not be traded and their annual dividends may not exceed 15 percent of the amount paid for them.

Sale of such stock helps enterprises to raise money for technical improvement and for expansion of production.

One paperboard factory in Beipei on the outskirts of Chongqing City, Sichuan Province, doubled its output and increased its annual profit by 669,000 yuan (about $181,000) after buying new production lines with capital raised from sale of stock.

"Dry shares" are distributed only to members of co-operative enterprises, often agricultural enterprises. There is no charge for them, but they may not be sold or transferred, except by inheritance. They pay no dividends.

As most workers in township enterprises are also part-time farmers, "dry shares" usually distributed in a way historically familiar to Chinese farmers -- according to the number of workers, or the number of family members of workers, or the amount of farmland they contract to.

All shareholders have the right to be involved in major management decisions, including hiring and firing, profit distribution, and salaries.

The biggest hurdle to development of the stock system, Zong said, is that some Party and government officials either do not see its significance, or are opposed to it because it lessens their authority.

There have also been some problems in distribution of shares, setting of dividends, and election of directors.

In some cases, individuals have been refused shares for personal reasons. Some dividends have far exceeded the legal limit. And some persons have been named directors on the basis of the number of shares they held.

However, Zong said, the value of the stock system is being gradually recognized by more and more people and he expects it to spread.

CHEN MUHUA DISCUSSES 'NEW BANKS', REFORMS

OW181755 Beijing XINHUA in English 1544 GMT 18 Sep 86

[Text] Beijing, September 18 (XINHUA) -- China has made progress in reforming its financial system but it still has much more to do in this respect.

This remark was made by Chen Muhua, state councillor and president of the People's Bank of China, according to the overseas edition of today's "PEOPLE"S DAILY".

Over the past few years, Chen said, China has reformed its banking system by setting up a number of new banks, with the People's Bank of China playing the leading role.

As the central bank, the People's Bank of China now has only three main functions: Overseeing banking policies, supervising the business of banking and guarding the stability of the currency. It no longer extends credit to enterprises and individuals.

The new banks, such as the Construction Bank and the Agricultural Bank, most operate like independent economic entities and be responsible for their own profits and losses. "This is a big step in China's efforts at financial reform, as it will stimulate competition among the banks for deposits from citizens," Chen commented.

Yet, more efforts should be made to step up the reform, which has just started, Chen said. She specified the aims as:

-- The establishment of a forceful and more flexible banking system which will promote the raising and consumption of funds, and maintain a basic balance of supply and demand.

-- The setting up of a multi-channel and diversified credit system to encourage funds to flow among different banks and localities, and set up different kinds of financial centers and money markets suited to China's conditions.

-- The perfection of the financial system, with the state banks playing the leading role and the nongovernmental financial organizations as backup.

-- The formation of a modernized administrative system with more qualified personnel and modern equipment to provide better service.

In the next two years, Chen said, the reform will focus on overall financial control, interest rates, and the streamlining of the financial organizations, short-term money markets and administration of foreign exchange.

"Vigorous action must be taken to push the reform forward, but the steps must be steady ones," she said.

Launches New Bank Services

OW291217 Beijing XINHUA in English 1048 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- As of October 1 Chinese travellers will no longer have to carry large bundles of cash thanks to a number of new measures being introduced by the Industrial and Commercial Bank of China (ICBC).

Along with travellers cheques, the bank will also introduce inter-city savings deposits and withdrawals, bank drafts, direct telegram remittance and transfer, and personal remittance.

All these services will also be accessible to foreign or Overseas Chinese travellers in China who use renminbi -- the Chinese currency, an official of the ICBC told reporters today.

The new travellers cheques, the first personal cheque ever available to Chinese customers, can be purchased at 40 savings offices in 10 cities including Shanghai, Guangzhou, Nanjing, Chongqing and Harbin. Customers will be able to cash them at any of this bank offices. The interest-free travellers cheques expire at the end of the following month.

The cheques will be issued in denominations of 100, 500 and 1,000 yuan and a small commission will be charged for each depending on their value.

Previously, bank customers in China could only withdraw from the savings office, at which they made the deposit. As of the first of next month customers will be able to withdraw or deposit money in 24 of ICBC's offices in 12 cities including Beijing, Tianjin, Shenyang, Shanghai and Guangzhou. The inter-city demand savings category also pays interests.

Unlike the previous bank draft which can be cashed only in a designated bank office, the new one, divided into 100, 500 and 1,000 yuan, enable work units and individuals more choices to cash or transfer accounts from one city to another. There are 288 bank branches in eight cities including Chongqing, Wuhan and Dalian, that will accomodate this type of transaction. The drafts will be valid for 30 days.

ICBC will begin to introduce its own telegraph system to 38 of its branches in 13 cities including Beijing, Shanghai, Xian and Chengdu for remittance and other services. Previously, they had to rely on the public post office telegraph service.

Over half of its 20,000 branches and savings offices will open counters for individual remittances in October.

Speaking at a ceremony to mark the opening of the new services, Chen Muhua, state councillor and governor of the People's Bank of China, said that she hoped these new services to be extended to all over the country in the nearest possible future. Leaders from China's banking, financial and posts and telecommunications circles attended the grand ceremony.

Inspects Shaanxi

HK210228 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Sep 86

[Text] Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee, state councillor, and president of the People's Bank of China, recently made a special trip to Shaanxi to investigate the situation in fiscal work. During her inspection, she said several times that fiscal work must support economic development. In the situation of reform, the banks must do a good job in the following respects: 1) adopt a variety of ways to organize more capital for developing production; and 2) stress economic results, make lively use of the existing money, and do more while spending less.

Comrade Chen Muhua, accompanied by Tong Zengyin, vice president of the People's Bank of China, and others, arrived in Xian on 8 September. She immediately set out to inspect various parts of the province. During the past 10 days she has visited Tongchuan, Yanan, Baoji, and Hanzhong Prefectures and Cities. She has listened to reports on local economic construction, visited and paid regards to workers in the fiscal system, and held forums with them. She has also investigated some factories, mines, and villages.

On 10 September, Chen Muhua arrived in Yanan, the old base of the revolution. She had worked there during the War of Resistance Against Japan. She has been concerned about Yanan's construction for many years. On this occasion, she was filled with emotion at viewing the places where she had worked and lived.

At a Yanan prefectural report meeting, Comrade Chen Muhua said: Yanan made tremendous contributions to the Chinese revolution. There have been great changes here in recent years. The markets are lively, the mountains are clothed in green, the rural areas are full of new houses, and the children are wearing nice clothes. I cannot tell you how happy I am. However, Yanban is still rather poor compared with other areas. The CPC Central Committee is concerned about this. We hope that Yanan can become an example for economic construction in the new period, just as it became a motivating force for revolution in the past. Our banks are therefore making contributions toward the development of the old revolutionary bases. However, it is necessary to make evaluation when releasing capital. We must first select for investment those projects suitable for development that grow fast and produce good economic results. We should get better results from smaller loans.

Chen Muhua gave important views on how the old revolutionary bases can extricate themselves from poverty and rich as soon as possible.

Chen Muhua fully endorsed the method of Baoji City in integrating the urban and rural areas during the reform. She praised the acievements of the city's fiscal system in supporting urban and rural reforms. She said: urban and rural economic reforms set new demands on the fiscal system. The fiscal setup must continually carry out reforms so as to suit and stimulate the reforms of the urban and rural economic structures. Sepecifically, the fiscal system must work in close harmony with the reforms, exercise macroeconomic control and practice microeconomic invigoration, organize more capital, use money in a lively way, speed up circulation, and improve economic results.

While inspecting southern Shaanxi, Comrade Chen Muhua viewed the Hanzhong Pharmaceuticals Plant, Hanzhong City Cement Plant, and Hanzhong Wristwatch Plant, and listened to reports delivered by prefectural leaders. Chen Muhua pointed out: Hanzhong has many strong points.

There is abundant rainfall and the frost-free period is long. Both surface and underground resources are rich. To rapidly develop the economy, it is necessary to take advantage of the local strong points of numerous large factories, good technological strengths, and advanced equipment, and organize ties with these units. Projects for development should be accurately identifed in light of local conditions. The mountain areas of southern Shaanxi can develop indigenous products such as ginseng, edible fungus, herbs, and so on. They can also develop cattle raising. Beef cattle are now on sale in China. We should gradually improve their quality and strive to earn foreign exchange from exporting them.

She called on the banks to actively develop economic development and adopt various methods and channels to organize savings. More networks and points for savings should be set up. Post office savings should also be organized. We should concentrate for use in developing production the idle capital that has now been organized. We should lend money to projects and enterprises with good economic results. Circulation of capital should be speeded up.

While inspecting various places in Shaanxi, Comrade Chen Muhua also frequently pointed out the existing problems in use of capital. She said: At present certain enterprises and units regard bank loans as a power for using local finances. When borrowing money they do not consider repaying it. This will not do. Bank loans are different from financial allocations, and they must be paid back on time, capital plus interest.

During her stay in Shaanxi, Comrade Chen Muhua also listened to reports given by leading comrades of the party and government on the situation in the province's economic work. She also heard a work report from the provincial people's bank. Vice governor Xu Shanlin and provincial People's Bank President (Niu Chunhe) accompanied Comrade Chen Muhua on her inspection.

Comrade Chen Muhua will leave Xian for Beijing today.

GU MU FORECASTS INCREASED FOREIGN INVESTMENT

OW242024 Beijing XINHUA in English 1609 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- State Councillor Gu Mu said here today that China is determined to further improve its present investment environment.

He said that by the end of last June China had signed contracts with other countries on setting up more than 6,800 joint-ventures, co-managed and exclusively foreign owned enterprises involving a total investment of 17 billion U.S. dollars, of which the actual investment by foreign businessmen is five billion U.S. dollars. "But we are not satisfied with these achievements," Gu added.

He made these remarks at a meeting with a Japanese delegation from the Japan-China Association on Economy and Trade.

Gu noted that on the one hand, China should sum up its experience to improve the work and implement the signed contracts in order to promote the smooth running of those enterprises.

On the other hand, he said, China should give more favorable treatment to those foreign investors who have advanced technology, no difficulties in achieving a foreign exchange balance and use their foreign currency earned in China to continue their investment here.

He said that his country is determined to simplify procedures, shorten time and improve efficiency with regard to business talks with overseas investors.

Speaking of bilateral relations, Gu said that to expand bilateral friendly relations and cooperation is in keeping with the desire and interest of the two peoples.

He expressed his hope that both sides will take positive measures to open up new areas of cooperation and take still greater steps in the field of joint ventures and co-management.

Senior advisor to the delegation Eshiro Saito and leader Ryoichi Kawai said that the Japanese side will help China to expand its exports to Japan.

The delegation arrived here yesterday at the invitation of the China Council for the Promotion of International Trade. This morning, the visitors held talks with leading members of the State Planning Commission and the State Economic Commission on developing trade and economic relations between the two countries.

HUBEI CORRECTS VIOLATION OF JOINT VENTURE LAW

OW262124 Beijing XINHUA in English 1520 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- The foreign partners in a Sino-American joint venture have won the reinstatement of two factory directors who were dismissed by the Chinese partner without first consulting the board of directors.

Chinese joint venture law stipulates that in handling major problems, the board of directors, which is comprised of both Chinese and foreign members, shall reach a decision through consultation by the parties to the venture, in accordance with the principle of equality and mutual benefit.

According to reports published in today's PEOPLE'S DAILY and INTERNATIONAL BUSINESS NEWS, the Hubei Provincial Bureau of Machine-building Industry dismissed the director and deputy director of the factory on April 25 without first consulting the factory's board of directors.

At the insistence of the foreign partners and the Foreign Investment Administration Bureau under the Ministry of Foreign Economic Relations and Trade and the provincial government intervened and reversed the decision. Chen Weizhen and Cai Guoning returned to their posts as director and deputy director of the Hubei-Park Hermetic Parts Factory.

The venture, formed in 1983 by the Hubei Motor Vehicle Industry Company and the Ohio-based Park Company, is regarded by the Ministry of Foreign Economic Relations and Trade as one of the more successful joint venture projects in China, the paper said.

The factory currently sells parts to China, the United States, Canada, Australia and the Federal Republic of Germany.

A representative of the Ohio-based company expressed satisfaction with the factory. "Of the ten factories we have started in China, the Hubei factory is the most important and successful," he added.

After several meetings to discuss the dismissal, on August 21, the American company sent a message of protest to the Chinese chairman of the board, saying that the decision was in violation of China's joint venture law and the articles of association.

Both central and provincial authorities expressed their concern over the incident, the PEOPLE'S DAILY said.

WORK STYLE, EFFICIENCY OF STATE ORGANS IMPROVES

HK291319 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 1

[Report by Guo Yan [6753 4282]: "Style of State Organs Has Improved: Reported Problems Caused by Natural Disasters in Shandong and Jilin Promptly Solved"]

[Text] "We came to Beijing this time to ask for some things, but more importantly, we received a vivid lesson. In the course of rectifying party style, the style of state organs has indeed improved." This was what the leading comrades from Shandong and Jilin told leading comrades of the State Council verbally or in writing after they made their reports on the calamity situation. They praised the improvement in style of some departments of the state organs. Comrade Wan Li encouraged all departments of the state organs to continue the good work, make unremitting efforts, overcome bureaucracy, raise work efficiency, and thoroughly carry out the rectification of party style.

This year Shandong Province suffered serious drought, while Jilin Province encountered severe damage from floods in July and August. The two provincial governments sent people successively to Beijing to report on the calamity situation and to discuss relief assistance. The leading comrades in the State Council and responsible comrades of the general office of the State Council and from more than 10 relevant departments of state organs received them warmly and rapidly assisted in settling problems.

On the day the comrade from Jilin Province arrived in Beijing, Chen Junsheng [7115 0193 3932], secretary general of the General Office of the State Council, listened to the report at 2100. He then designated his assistant to convey the report to leading comrades of relevant departments and committees in the State Council that very night and urgently studied the resolution of practical post-calamity problems in Jilin. The day after his return to Beijing from other parts of the country, Li Ruishan, adviser to the State Economic Commission and person in charge of relief work, immediately listened to the report. Responsible comrades of the Ministry of Agriculture, Animal Husbandry and Fisheries and the China Bank of Agriculture waited for more than 2 hours after work in their offices in order to be briefed on the situation. [paragraph continues]

After listening to the report and watching videotapes of the extent of damages, Jiang Xi, vice minister of commerce, promptly asked responsible comrades of relevant bureaus and departments to immediately issue additional necessary items to fight floods and engage in relief operations.

We should not reject or delay our work and should deal with urgent matters immediately. After hearing the report, the State Bureau for Materials and Equipment held a meeting that very night and arranged for the issuance of relief items. A huge batch of needed materials was distributed the following day.

XINHUA NOTES PREPARATIONS FOR VILLAGE RECTIFICATION

OW282128 Beijing XINHUA Domestic Service in Chinese 0857 GMT 26 Sep 86

[By reporter Zhou Changnian]

[Text] Beijing, 26 Sep (XINHUA) -- Our country is now on the eve of full-scale rural party rectification at the village level. As this reporter has learned from the large amount of materials and information obtained from the office of the Central Commission for Guiding Party Rectification, all provincial (regional and municipal), prefectural (city), county, and township party committees are devoting enormous efforts to preparing for the work of village-level party rectification with full confidence they will make it a real success.

Last May and June the Central Commission for Guiding Party Rectification sponsored separate party rectification work forums in Zhengzhou, Nanjing, Changsha, and Lanzhou, which were attended by secretaries of the relevant provincial (district and city) party committees. At these forums, concrete plans were made for village-level rectification. It was pointed out that village-level party rectification, which covers a large area and involves a great deal of work, should be basically completed by this winter or next spring and that in view of the short time and heavy task, first of all, good preparations should be made in order to make this work a real success. Over the past 3 months, party committees at all levels in these localities have worked energetically in compliance with the guidelines set at the forums and have done much work in preparation for party rectification at the village level.

Party committees at the provincial (regional and municipal), prefectural (city), county, and township levels and their offices in charge of party rectification have thus far sent approximately 360,000 party and government cadres to the countryside to help with party rectification. In Hunan, Jilin, Chantong, Heilongjiang, Sichuan, Zhejiang, and Guangdong, the number of cadres sent to the countryside for this purpose is between 30,000 and 50,000 attaining the goal of 1 cadre per village or 3 cadres for every 2 villages. Before being sent to the countryside, the cadres were given collective training. Now most of them have entered the villages. Some have investigated to ascertain the real situation. They have thus made clear the conditions of the grass-roots party branches and party members in the rural areas and the main problems to be solved through party rectification, thereby providing a basis for drawing up a plan for conducting village-level party rectification. Others have acted as inspectors, liaison men, or propagandists, responsible for inspecting, supervising, and prompting the work, helping exchange information, and assisting the village party branches in educating party members and summing up and swapping experience. Particularly in villages in some remote areas, after ushering in the cadres who have come to help with party rectification, the local party members and masses have been eating and living together with them and joining them in discussing the important task of party rectification. They have actively and enthusiastically shown their hopes and demands with regard to the work of party rectification.

In most rural areas financial problems exist in varying degrees, directly affecting the immediate interests of the masses. If these problems are not solved, the work of party rectification cannot proceed smoothly. In view of this, all localities have deemed it a major task to straighten out the village-level financial work and have made serious efforts to do this when preparing for party rectification. According to incomplete statistics involving 20 provinces, autonomous regions, and municipalities, more than 268,300 villages have dealt with their problems of financial irregularities. Collective funds that were embezzled, misused, or outstanding due to overdue payments have been recovered. Most often the cadres with party membership who have serious problems in this regard have been punished according to the requirements of party and government discipline; some have even been removed from their posts and replaced by others. While solving the problems of financial irregularities, many villages and towns have made serious efforts to sum up experience and draw lessons. They have thus strengthened their financial management and established and improved their financial systems.

Consolidating and adjusting those grass-roots party branches incompetent to lead the party rectification work is also one of the important tasks in preparing for village-level party rectification in various localities. According to incomplete statistics covering 18 provinces, autonomous regions, and municipalities, including Beijing, Heilongjiang, Shanxi, Hunan, Jiangsu, Sichuan, Gansu, and Ningxia, some 81,400 village party branches with relatively more problems have been adjusted and consolidated, and as a result they have gained more vitality and fighting strength.

In view of the reality that rural party members in general have a poor educational background, all localities have organized manpower to carefully compile and print teaching materials for use in educating the rural party members in party spirit, the ideals they should foster, discipline, and the current situation and policies. Most of these teaching materials are realistic and of rather good quality.

Many localities have already conducted village-level party rectification on a trial basis. From this trial work they have summed up many different, good examples of party branches' rectification work, each with distinctive characteristics. This has provided many useful experiences for the full-scale party rectification at the village level.

The rural party rectification at the village level will involve almost 1 million grass-roots party branches with nearly 20 million party members participating. It will be a task of the largest scale in the current party rectification drive. It will be of vital and far-reaching significance in promoting the reform and economic development in rural areas and the rural party construction work for the new period. Therefore, all in the party, from the top down, and all those inside and outside the party are deeply concerned about and focusing their attention on it, placing great hopes in its results. The broad masses of peasants are looking forward to and keeping a watch on village-level party rectification in the hope that it will give new vitality to the various production and construction tasks in rural areas. In view of the serious down-to-earth preparatory work carried out over the past months in various localities, we can see that so long as the party committees at all levels continue to give careful guidance and strengthen education in party spirit in coordination with the present work of reforms and rectification of party style and discipline, the hope they cherish can be realized. The work of village-level party rectification can be likened to "music heralded by enthusiastic feeling." Since the prelude is in good taste, the music's main movement will surely be heartening.

CIRCULAR URGES WORKERS' SUGGESTIONS, INNOVATIONS

OW291125 Beijing XINHUA Domestic Service in Chinese 0630 GMT 27 Sep 86

[Text] The All-China Federation of Trade Unions and the State Economic Commission recently issued a circular on mobilizing China's 80 million staff and workers to launch activities to make rational suggestions with the focus on raising the quality of products, reducing material consumption, and promoting technological innovation.

The circular pointed out: In order to solve the problems of poor product quality and high material consumption in industrial production, it is necessary to fully mobilize the masses so that everyone will make suggestions to improve the quality of products and contribute to reducing consumption. In order to raise the quality of products, it is necessary to carry out overall control and to give full play to the wisdom and creativity of the vast numbers of staff and workers in such areas as strengthening overall quality control and vigorously adopting new technologies, new skills, and new materials. As for reducing consumption, the focus should be on saving electricity, petroleum, and rolled steel.

The circular called on all localities to conscientiously carry out the "regulations for encouraging rational suggestions and technological improvement" issued by the State Council, to practically enhance organizational leadership over these activities, and to do a good job in organizing such activities. Leaders of enterprises should employ various vivid and flexible ways, such as posting public notices, soliciting answers, and inviting bids, to arouse the masses to make suggestions, and should do a good job in collecting rational suggestions and promoting technological innovation. It is essential to extend the activities of soliticiting rational suggestions and promoting technological innovation to work teams and groups. The vast numbers of staff and workers who have been occupying posts in production, management, administration, and scientific research for a long time know clearly where problems of quality and waste are found and where potential problems exist. They are the most legitimate people to make innovations and suggestions.

The circular stressed: In leading the activities of making rational suggestions and promoting technological innovation, we should not just be faddish, should not go after formality and vanity, and should not "make a hue and cry," but should make every effort to carry out these activities and to make them effective.

STATE COUNCIL ANNULS 24 OUTDATED REGULATIONS

OW291223 Beijing XINHUA in English 1132 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- The State Council, China's highest governing body, has annulled 24 out-of-date regulations involving agriculture, forestry, water conservation and meteorology, according to a circular made public today.

Originally promulgated between 1949 and 1984, the regulations abandoned included those made obsolete by the economic reform, which has allowed more autonomy to farmers and state-owned enterprises.

Among the regulations dropped was one which prohibited farmers from cultivating their own land for profit.

The council's staff has been sifting through China's more than 3,000 regulations. Members of the council are working through some 2,000 regulations the staff has recommended be abolished or revised.

"We're getting rid of regulations that don't fit in with the needs of the country any more," an official in the council's legal office told XINHUA.

"In particular," he said, "we are proposing dropping regulations which interfere with the economic reform or with China's opening to the outside world."

STATE COUNCIL CIRCULAR ON CHINESE CHARACTERS

OW281241 Beijing XINHUA Domestic Service in Chinese 1217 GMT 27 Sep 86

[Excerpt] Beijing, 27 Sep (XINHUA) -- The State Council recently issued a circular approving and transmitting the "request for instructions on abolishing the second (draft) plan for the simplification of Chinese characters and correcting the situation of confusion in the use of Chinese characters in the society" submitted by the State Language Work Committee. It has been decided that from now on the use of the "second (draft) plan for the simplification of Chinese characters" should be stopped. The circular emphatically points out that it is necessary to take a prudent attitude toward the simplification of Chinese characters, and the forms of Chinese characters should maintain relative stability in order to facilitate their use in the society.

The State Council circular points out that at present people in society wantonly use complex forms of Chinese characters, improperly create simplified versions of Chinese characters, or carelessly write Chinese characters. This kind of confusion in the uses of Chinese characters merits high attention.

The State Council has asked the State Language Work Committee to promptly coordinate with related departments to study and formulate methods for the control of the use of Chinese characters and gradually eliminate the abnormal situation of confusion in the use of Chinese characters in the society. [passage omitted]

HU QIAOMU ON CULTIVATING PATRIOTISM IN SCHOOLS

OW291617 Beijing XINHUA Domestic Service in Chinese 0906 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- While meeting with representatives attending a conference of the Committee for Examining Teaching Materials for Secondary and Primary Schools in Beijing today, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, said: Patriotism should permeate the entire process of secondary and primary education as well as higher education.

He said: Patriotism should be the leading idea that permeates all teaching materials in secondary and primary schools as well as activities inside and outside of the school. Students brought up in this manner will have national pride and respect as well as patriotic spirit. He maintained that materials in this area may be selected for use as teaching matter in secondary and primary schools, and teachers may also include more materials in this area when preparing their lessons.

College students should also understand the history of the entire nation and resolve to devote themselves to the motherland's reform and construction. This cannot be achieved simply by attending political lessons or making reports.

Hu Qiaomu also said that we should cultivate aesthetic values among students, as an indispensable link in moral education in secondary and primary schools. Without aesthetic values, one would tend toward vulgar things, with one's philosophy of life adversely affected. Aesthetic education is an important aspect inseparable from moral educaiton.

Deng Liqun, member of the Secretariat of the CPC Central Committee, and Zhou Guchen, vice chairman of the NPC Standing Committee, also spoke at the meeting.

More than 200 people attended today's meeting, including He Dongchang, Zhang Chengxian, Wang Mingda, and representatives to the meeting.

BEIJING SYMPOSIUM MARKS CONFUCIOUS' BIRTHDAY

OW291926 Beijing XINHUA in English 1444 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- To celebrate the 2,546 anniversary of Confucius' birth, the China National Institute for Confucianism held a symposium to discuss the modern role of Confucianism, at the Confucius Temple here today.

Confucious (551-479 B.C.) was a great philosopher, statesman and educator, whose theories have influenced almost every aspect of Chinese society for 2,500 years.

The symposium comprised two discussion groups: "China's Traditional Culture and its Modernization," and "Oriental Culture and Modern Economic Management."

The one hundred Confucius experts and scholars who discussed the first topic unanimously held that China should discard the philosophy's feudal structure but extract its democratic essence.

Although some proposed the elimination of all feudal aspects, most argued that they have merits for education, and people should use them critically.

During the discussion of Confucianism's role in current economics management, Yang Zhi, associate professor from the Industrial Economics Department at People's Univeristy, said Japan has succeeded in applying Confucian concepts to its modern economic management.

Yang suggested that China, as the birthplace of Confucian culture, should increase research to better decide whether or not Confucian theories can be used in the managment of China's economy. His opinion met with full agreement.

Founded in June, 1985, the Institute for Confucianism was founded by private, academic sources. Its members, mostly Confucian experts from all over China, are devoted to scientifically evaluating and dialectically analyzing Confucius and his philosophy.

RENMIN RIBAO ON IDENTIFYING 'SIGNED' AUTHORS

HK260551 Beijing RENMIN RIBAO in Chinese 24 Sep 86 p 1

["Today's Talk" column by Qin Dianjie [4440 3013 2638]: "Why Is the Name Not Given When It Is a 'Signed Article'?"]

[Text] This is often heard on the radio: "A signed article entitled ... is published by ... RIBAO today." In transmitting an article carried in an newspaper or magazine, the XINHUA NEWS AGENCY also reports in this way: "The recently published ... magazine carries a signed article. The article points out... ." This kind of report does not tell the listeners or readers who the author of the signed articles is.

The reason a signed article is reprinted or broadcast is because the editorial department thinks that the author's article is full of substance and that he has good grounds for his views, and therefore the article is worth publicizing. As is known to all, an article represents the author's viewpoints, impressions, and analyses. It is only natural that the author's name should be given. However, the newspapers and radio stations do not give the author's name. This is inappropriate and unfair. Can the author of an article be named "a 'signed article'?" What is even worse is that in the digest columns of some newspapers, prominence is given to the person who makes extracts from an article, while the name of the author of the article is put in a corner. This way of claiming credit due to others is also inappropriate!

It is necessary to respect authors and to make things easier for the readers. In the course of reform, radio stations, newspapers, and news agencies should do away the practice of not giving the name of the author of a "signed article" in reprinting or reporting that article. They should mention or print out the author's full name.

TIAN JIYUN MEETS ARCHIVES MEETING PARTICIPANTS

OW251325 Beijing Domestic Service in Mandarin 1200 GMT 23 Sep 86

[Excerpts] This reporter has learned from a meeting of provincial, autonomous regional, and municipal archives bureau directors which ended today that under the Seventh 5-Year Plan, China will vigorously tap its archives information resources and further open its historical archives to society.

A central organ leading comrade recently pointed out that the further opening of archives, including their opening to foreigners, is imperative under the present circumstances. It is a prerequisite for promoting China's academic undertakings and implementing the policy of opening to the outside world. Toward this end, the State Bureau of Archives has formulated measures concerning this work. [passage omitted]

Vice Premier Tian Jiyun met all representatives to the meeting at Zhongnanhai today.

Speaks on Forestry

OW270311 Beijing XINHUA Domestic Service in Chinese 1301 GMT 26 Sep 86

[By reporter Huang Zhenggen]

[Text] Beijing, 26 Sep (XINHUA) -- We must formulate a correct guiding ideology and management policy, and coordinate the efforts of all regions in revitalizing China's forestry in order to serve the modernization drive and benefit the future generations, said Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, during an inspection tour of forest areas in Heilongjiang Province and the Nei Monggol Autonomous Region.

During the 6-day inspection tour of the Daxinganling and Xiaoxinganling forest areas from early to mid-September, Tian Jiyun went deep into wooded areas in mountains and attended discussions with grass-roots cadres and workers in the forest areas. He also called on some forest workers at home.

Tian Jiyun said: Since the founding of New China, we have scored remarkable achievements in developing forestry, contributing to the preservation of ecology, national economic construction, and the economic prosperity of mountainous areas. However, problems exist in our forestry mainly the imbalance between lumbering and afforestation as reflected in the excessive felling of trees in some localities. Due to the single-product management method and egalitarian practice over a long time, some forestry enterprises have suffered aggravating financial deficits. As a developed forestry sector is one of the hallmarks of a strong and prosperous nation and advanced civilization, to protect and develop forestry resources is a major issue having a bearing on the survival of future generations, he said. Therefore is it necessary to make prompt and determined efforts to formulate correct strategic measures to revitalize Chinese forestry.

Tian Jiyun pointed out: In view of the complexity of problems in Chinese forestry, it is essential to coordinate the efforts of all regions in tackling these problems. He set the following requirements for revitalizing Chinese forestry: First, it is necessary to obtain a better understanding of forestry, which is the work of not only the Forestry Ministry but also the whole community. Intensifying publicity and education to enable people to obtain a better understanding of forestry is essential for solving these problems. Efforts should be concentrated on implementing the "Forestry Law" and publicizing, through various channels, the importance of protecting forestry resources and developing forestry in order to enhance people's consciousness in developing forestry. Second, it is necessary to formulate a correct guiding ideology and management policy. We should go all out to increase wooded areas and forestry resources by planting more trees and caring for them. As for the management policy, we should pay attention to both lumbering and afforestation, with the latter as the primary job, exploit resources in a comprehensive manner by developing diversified undertakings, and improve management to raise efficiency. Of course, we should fell some overgrown trees, which will perish by themselves if not chopped down, resulting in a waste of resources. It is also necessary to introduce intermediate lumbering of middle-aged forests. But we should never focus our attention on lumbering along. In view of the rich resources in wooded areas, we should not concentrate on one single product, but promote diversified undertakings in order to support forestry with industrial and sideline production. Third, it is essential to study the management system, which is a complicated issue requiring serious study and investigation to look for a gradual solution. Measures may be taken to improve the system as long as they can stir the enthusiasm of people in various circles. Fourth, it is necessary to improve the management of forestry enterprises and raise their economic efficiency.

Enterprises that have already lumbered all their forests should readjust their operations to diversified management and release their surplus personnel to places with rich resources for exploitation. Family members of enterprise staff and workers should actively promote various tertiary industrial undertakings. It is necessary to study ways for improving an enterprise's economic accounting system and change confusing practices. Fifth, it is necessary to earnestly study and implement the policy on forestry economy and actively support forestry in order to increase its vitality.

Accompanying Tian Jiyun on the inspection tour were Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, and Bai Junqing, vice chairman of the Nei Monggol Autonomous Regional Government.

TIAN JIYUN, YU QIULI ATTEND MAOTAI GATHERINC

OW190828 Beijing XINHUA Domestic Service in Chinese 1537 GMT 18 Sep 86

[Excerpt] Beijing, 18 Sep (XINHUA) -- Personages from various circles gathered at the Great Hall of the People this afternoon to mark the 70th anniversary of the Maotai spirit winning a golden award at the Panama International Exposition and the 1st anniversary of its winning a golden laurel award from the Paris-based International Delicacy and Tourism Committee. Party and state leaders Tian Jiyun, Yu Qiuli, Zhu Xuefan, Zhou Gucheng, Rong Yiren, Gu Mu, Zhang Jingfu, Wang Bingqian, and Song Jian attended the gathering. [passage omitted]

JIANGSU RURAL ENTERPRISES FACE PROBLEMS

HK290053 Beijing CHINA DAILY in English 29 Sep 86 p 2

[By Staff Reporter]

[Text] Though rural businesses in Jiangsu Province made great headway in production in recent years, they are facing stiff challenges this year.

Main problems facing the province's 79,974 rural business are increased stockpiles and decreased profits.

According to the People's Bank of China, in the first half of this year production by rural businesses in Jiangsu was valued at 20.6 billion yuan ($5.6 billion) but sales reached only 15.3 billion yuan ($4.1 billion). At the end of June products worth 4.32 billion yuan ($1.16 billion) were stockpiled.

During the half-year period, the province's rural businesses earned a profit of 1.1 billion yuan ($297 million), a nearly 20 percent decline from the same period last year.

The number of businesses losing money increased to 11,734 nearly 15 percent of the total.

Problems in the development of such businesses have risen from a shortage of funds and energy. Many rural businesses have not been able to operate at full capacity since the beginning of the year.

JIANGXI PEOPLE'S CONGRESS COMMITTEE MEETS

OW261644 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 26 Sep 86

[Text] The 6th Jianxi Provincial People's Congress Standing Committee opened its 19th meeting in Nanchang today. Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Zheng Xiaoxian, Liang Kiaxuan, Huang Xiandu, Peng Shengxi, and Liu Bin attended the meeting. Vice Governor Sun Xiyue, chief procurator of the Provincial People's Procuratorate Wang Shuheng, responsible persons of the provincial Higher People's Court and relevant departments of the provincial people's government, provincial People's Congress Standing Committee officials in all prefectures and cities, and leaders of the Ganxian County People's Congress Standing Committee attended the meeting as observers.

Chairman Wang Shufeng chaired today's meeting. Vice Chairman Zheng Xiaoxian transmitted the guidelines of the 17th Meeting of the 6th NPC Standing Committee and an important instruction by its chairman, Peng Zhen.

The meeting will discuss serious mistakes by provincial Governor Ni Xiance. It will also examine the provincial draft regulations governing town and township collective mining enterprises, the provincial draft regulations governing implementation of the PRC Land Administration Law, and a draft decision on establishment of a Jiangxi Provincial Election Committee, as well as make personnel appointments and removals.

JIANGXI GOVERNOR NI XIANCE SUSPENDED FROM DUTY

HK261620 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1539 GMT 26 Sep 86

[Report by Wang Haixi [3769 3189 2569]: "Governor Ni Xiance of Jiangxi Province Suspended From Duty for Violation of Law and Discipline and Other Serious Mistakes" -- ZHONGGUO XINWEN SHE headline]

[Text] Nanchang, 26 Sep (ZHONGGUO XINWEN SHE) -- Governor Ni Xiance of Jiangxi is being suspended from duty for violation of law and discipline and other serious mistakes.

This morning, the 6th Jiangxi Provincial People's Congress Standing Committee held its 19th plenary session. "Governor Ni Xiance's serious mistakes" were among the important topics discussed at this plenary session.

It is arranged that at this plenary session, Chairman Wang Shufeng of the Provincial People's Congress Standing Committee will announce the State Council's decision on 25 September to suspend Ni Xiance from duty; Secretary Zhu Zhihong of the Jiangxi Provincial Discipline Inspection Commission will report on how Ni Xiance made his serious mistakes, and the provincial People's Congress Standing Committee will hold a group discussion to select an acting governor and to decide on the choice of an acting governor.

According to some authorities, Mayor Wu Guanzheng of Wuhan city is one of the candidates for acting govenor. Wu Guanzheng, 48, whose hometown is Jiangxi's Yugan, is a graduate of Qinghua University.

Wang Shufeng, chairman of the Jiangxi Provincial People's Congress Standing Committee, presided over today's plenary session. The responsible persons of the Gan County People's Congress Standing Committee who elected Ni Xiance a deputy to a People's Congress attended as non-voting delegates.

Among the things to be discussed at this plenary session are the "Draft Regulations on the Management of Collective Mining Enterprises in Jiangxi's townships and Towns and of individual mining Undertakings" and the "Draft Regulations Concerning Jiangxi's Implementation of the 'PRC Land Management Law.'"

People's Congress Briefed

OW290223 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Sep 86

[Text] The 2d Plenary Session of the 19th Meeting of the 6th Jiangxi Provincial People's Congress Standing Committee was held today to hear a briefing by Zhu Zhihong, secretary of the provincial Discipline Inspection Commission, on the grave errors committed by Ni Xiance. The session was presided over by Wang Shufeng. Liu Fangren, deputy secretary of the Jiangxi Provincial CPC Committee, spoke at the meeting. At the meeting, Vice Governor Jiang Zhuping read out the report from the provincial government to the provincial People's Congress Standing Committee on dismissing Ni Xiance from his post as provincial governor.

Attending the session were Wang Zemin, Zheng Xiaoxian, Liang Kaixuan, Huang Xiandu, Peng Shengxi, and Liu Bin, vice chairmen of the provincial People's Congress Standing Committee.

Wang Shuheng, chief procurator of the provincial People's Procuratorate, and officials from the provincial Higher People's Court and the provincial government attended the session as observers. In the afternoon, members of the provincial People's Congress Standing Committee held a panel discussion on the matter.

JIANGXI COMMENTARY NOTES PROVINCIAL INVESTIGATIONS

OW220319 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 16 Sep 86

[Station commentary: Do Thoroughgoing Work in Improving Party Style]

[Text] The enlarged meeting of the Jiangxi Provincial CPC Committee Standing Committee has relayed and discussed the central authorities' decisions and instructions on related issues; achieved unity in thinking; enhanced understanding; studied ways to further improve party style; and studied and made plans for our work in the next 4 months. It was an important and successful meeting of concrete, lively, and thorough education in party spirit, style, and discipline and in the legal system. The provincial party committee calls on party organizations at all levels and all communists in the province to seriously implement the central authorities' relevant decisions and instructions and the guidelines of the enlarged meeting of the provincial party committee Standing Committee; further improve party style; promote unity; and make progress in reform in all areas and in economic construction in our province.

Since the beginning of this year, our province has made new progress in improving party style, and we have created a new situation in which all party organizations in the province pay attention to improving party style. We have made a new breakthrough in the investigation and handling of major cases, and we have achieved new successes in correcting unhealthy tendencies. We have successively begun to correct irregularities in various trades and professions. We have further carried out education in party spirit, style, and discipline and improved the work style of office cadres. These achievements were the results of efforts made by party organizations at all levels and the vast number of party members and masses in the province under the correct leadership of the party Central Committee and the provincial party committee.

However, to improve party style is a long-term and arduous task throughout the course of reform and modernization. We should seriously adhere to the principle laid down by the central authorities -- the principle of improving party style and undertaking reform and economic construction simultaneously and seriously for 2 years -- and make unremitting efforts to improve party style. We should further enhance our understanding and constantly remind ourselves that the party style issue is a major one concerning the life or death of our party and state. Currently, the work of improving party style is still uneven. Leaders in some organizations still fall short of the central authorities' expectations in terms of their understanding the work of improving party style. A few organizations are slack in their work to improve party style. In some localities, there is still resistance to investigation and handling of cases. One or two organizations even continue to make mistakes in the course of party rectification.

Unrealistic optimism, eagerness for quick success, and relaxation of efforts are not to be tolerated. After summing up our experience in the work of improving party style in the preceding stage, we should seriously examine ourselves against the demands set by the central authorities and the provincial party committee to discover problems existing in our thinking and understanding.

We should earnestly solve problems, if any, and further strengthen our confidence and determination to bring about a fundamental turn for the better in party style. We should correctly understand the relatonship between improving party style and making reform. The two supplement and promote each other. Facts in our province in the first half of this year fully show that our efforts to correct unhealthy tendencies and investigate and handle law and discipline violations have not obstructed our reform of our economic construction. They have helped improve party style and ensured the smooth process of reform and economic construction. It is wrong to think that the work of improving party style will adversely affect reform or that party style has nothing to do with reform. We must sternly investigate and punish those degenerates who flaunt the banner of reform while abusing their power to seek private interest, embezzle public funds, take bribes, or make other law and discipline violations; and those who exploit the loopholes of reform to engage in dishonest and evil practices, defame reform, and cause great economic losses or grave social consequences. If a case involves high-ranking cadres, their sons or daughters, or celebrities, the more seriously it should be investigated and dealt with. This is an important measure to protect reform.

The key to improving party style lies with leading organs and leading cadres. Leading cadres at all levels should take the lead in improving party style. In addition to having a good work style themselves, they should also dare to take the responsibility to improve party style in their own units and play an exemplary role. It is necessary to establish and perfect a responsibility system for improving party style and to implement it at each level. We should also adopt party style inspection and appraisal methods through democratic discussions to check on the implementation of this system. We should commend those who have done a good job in implementing this system, criticize those who have done poorly, and find out who is responsible if there is serious dereliction of duty. Leading cadres should also do a good job in educating their children and relatives and play an exemplary role in bringing about improvement in party style and in general standards of social conduct.

Investigating big, major cases represents an important part of improving party style. The leadership at all levels should personally attend to this work by organizing investigative personnel and sharing the responsibilty for the investigation and handling of such cases. Under the leadership of the provincial party committee, we have investigated and dealt with a number of cases involving cadres at and above departmental and bureau levels, even some cases involving cadres at the provincial level. Consequently, party style has somewhat improved. We must continue to pay attention to this work. Relevant departments should closely cooperate and support one another to fulfill their duties and responsibilities. We must strictly implement the party's policy, put stress on facts and evidence, and handle cases impartially in strict accordance with legal procedures. We should accelerate the handling of cases and at the same time improve the quality of this work.

To improve party style, we must make an earnest effort to correct unhealthy trends in various trades while continuing to pay attention to investigating and dealing with the six serious unhealthy trends. On unhealthy trends that have been somewhat brought under control, we should continue to vigorously check them to prevent them from recurring. As for unhealthy trends that are beginning to recur, we should solve them within a specified time. We must not be softhearted when it comes to improving party style and checking unhealthy trends. Instead, we must attend to this work in a thoroughgoing way. Party committees at all levels must firmly implement to a letter all regulations adopted by the central and provincial party committees for improving party style and checking unhealthy trends. We must earnestly check up on and redress such trends as political liberalism, bureaucratism, and favoritism in personnel matters.

In redressing unhealthy trends in various trades, we should pay attention to key points and start with those trends that are most harmful and about which the masses have complained the most. Efforts should be made to examine and straighten things out step by step and sector by sector. As for common problems among staff members and workers, we should solve them mainly by carrying out education in ideals, discipline, and vocational ethics to arouse their consciousness and enhance their understanding and by self-investigation initiated by the workers themselves.

Facts have shown that many unhealthy and corrupt practices within the party often originate from lax discipline. Therefore, we must regard the strengthening of discipline as a major task for improving party style as well as an important measure for effecting a noticeable turn for the better in party style this year. We must pay close attention to ensuring that this work will be fruitful. We should, by way of strengthening discipline, further improve government work style, establish a good work order among government organs, and improve work efficiency so that they will serve the masses, reform, and economic construction in a better way.

Improving party style is a major issue for the whole party. Under the correct leadership of the central and provincial party committees, we will certainly be able to achieve the goal of realizing a noticeable turn for the better in party style throughout the province this year as long as the province's 1.2 million party members make concerted efforts to deepen the work of improving party style in a down-to-earth manner.

SHANGHAI CADRES REPORTEDLY 'BULLY' PEOPLE

HK290725 Hong Kong MING PAO in Chinese 28 Sep 86 p 5

["Special Dispatch From Shanghai": "The Authorities Are Ineffective in Dealing With Party Member Cadres Who Bully People"]

[Text] Influenced by ideas of feudal privilege, some party member cadres in Shanghai generally consider themselves to be "first-class citizens" and, when having disputes with ordinary people, "act like lords and take advantage of their power to bully them."

SHEHUI BAO [SOCIAL GAZETTE] pointed out: Under the influence of the feudal concept of "gratitude," some departments in charge are generally ineffective and equivocal in dealing with party members cadres who act like lords and take advantage of their power to bully others. This has made their behavior more unscrupulous. Surveys conducted by a SHEHUI BAO reporter at the Guling and Xinle Public Security Stations and in the Huadong Power Supply Management Bureau reveal that quite a number of people have complained that some party member cadres take advantage of their power in their relationships with their neighbors by bullying them.

Take as an example of deputy bureau chief who lives in the Huaihai Apartments. He lives in a flat of nearly 70 square meters, but for a long time he has longed to take possession of his neighbor's kitchen, which is only about four square meters in area. His demand has been turned down on several occasions. Once, after his request was denied, he deliberately placed his broken vases, broken basins, and waste water container under his neighbor's window. This attracted flies mosquitoes. One night in March this year, his neighbor inadvertently bumped into the vases and basins while drying his child's diapers. The cadre's family members, old and young, all went out to beat up his neighbor.

Let us give another example. A party member cadre at the sectional level of an urban department got hold of his neighbor's head and bumped it against a wall for a trifle, yelling: "Do you know where I work? You would be startled to know."

The citizens and ordinary cadres in the neighborhood have expressed strong indignation over such abominable conduct. But the department in charge felt embarrassed and did not know what to do when some victims filed their complaints. A leading cadre said without mincing words: As these party member cadres took part in the revolution a long time ago, it is not easy to handle their rudeness; we can only turn a blind eye to it and turn a big problem into a small one and a small problem into no problem.

STOCK MARKET OPENS IN SHANGHAI; 2 STOCKS TRADED

OW270122 Beijing XINHUA in English 1714 GMT 26 Sep 86

[Text] Shanghai, September 26 (XINHUA) -- Shares belonging to two companies and worth 80,000 yuan were sold today on the new Shanghai Stock Exchange, the first day of the opening of such a venture since the Shanghai exchange was closed down 40 years ago.

The business was handled by the Shanghai Investment and Trust Company, a subsidiary of the Industrial and Commercial Bank of China, on behalf of the Shanghai Feile Acoustics Equipment Producing Company and the Yanzhong Industrial Company Ltd.

The two companies issued stocks in 1984 and 1985. The former issued 500,000 yuan (125,000 U.S. dollars) and the latter, five million yuan (1,250,000 U.S. dollars) in stocks. Each share is worth 50 yuan.

The market opened at nine a.m., but some of the prospective buyers arrived as early as six a.m. Today the price of each Feile share was 55.6 yuan (15 U.S. dollars), and that of Yanzhong was 54 yuan (14.58 U.S. dollars).

NEW GUANGDONG REGULATIONS FOR SINO-FOREIGN FIRMS

OW290825 Beijing XINHUA in English 0741 GMT 29 Sep 86

[Text] Guangzhou, September 29 (XINHUA) -- Special economic zones (SEZ) in Guangdong Province will allow the establishment of sino-foreign companies to issue stocks and bonds at home and abroad.

The provision was included in a set of new regulations to govern businesses involving foreign investment in the province's special economc zones.

The new document specifies the procedure, mode of management, categories and transfer of stocks and bonds.

According to the regulations, Sino-foreign stockbroking companies have to have a board of directors consisting of at least five people, with a minimum of three based on the SEZ. The stocks and bonds to be issued have to be registered and divided into ordinary and special types. They may be transferred, assigned, inherited and used for mortgage purposes.

The document was approved at a meeting of the Standing Committee of the Guangdong Provincial People's Congress Sunday after three years of deliberation.

The regulations cover sino-foreign joint ventures, Sino-foreign cooperative enterprises, foreign enterprises and sino-foreign stock companies. The document consists of eight chapters and 157 articles, with specific provisions for the procedure and establishment of such companies and their operations, amalgamation and termination.

It provides that the establishment of the four categories of companies in the SEZs must meet the following requirements:

-- They must conform to the laws and regulations of the People's Republic of China;

-- They must meet the needs of the development of the national economy;

-- The registered capital should be no less than one million yuan or the equivalent in other currencies, with 25 percent in cash as preliminary investment;

-- Production technology and management must be of the international advanced types;

-- Products must be marketable internationally, with all or part for export. The enterprises should be able to balance their own foreign exchange budgets.

The Shenzhen SEZ, one of the three in the province, had 980 registered joint ventures, and cooperative and foreign enterprises at the end of June, this year. Their registered capital added up to 4.3 billion yuan. They included 520 joint ventures, 389 cooperative schemes and 71 foreign enterprises.

GUANGXI ISSUES NOTICE ON HUANG YUHUI CASE EXAMPLE

HK290805 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Sep 86

[Text] The regional CPC Discipline Inspection Commission issued a notice on 26 September, calling on party organizations at all levels and party-member cadres to draw a bitter lesson from the case of Huang Yuhui committing corrupt acts and accepting bribes, to rectify party style with their practical action, and to do a good job in building the two civilizations.

The notice points out that Huang Yuhui was corrupt and accepted bribes in an extremely serious way. This is an exceptionally serious case of leading cadres at the country level in the province, which has inflicted heavy losses to the party and state politically and economically, defamed the party, and discredited reforms.

The severe punishment of Huang Yuhui and his kind according to the law is very necessary. The regional CPC Discipline Inspection Commission demanded that party organizations at all levels and party-member cadres in the region draw a lesson from the case.

1. Party organizations at all levels must grasp the two civilizations simultaneously and seriously improve party style. The Huang Yuhui case occurred in a new situation of carrying out reforms, opening up to the outside world, and enlivening the domestic economy. It tells us that adhering to reforms and rectifying party styple are closely linked. If we ignore the building of spiritual civilization and the rectifying of party style in carrying out reforms and building material civilization, we will lose our way in reforms and economic construction.

2. Leading cadres at all levels must do their best to transform their world outlook and to unceasingly strengthen their party spirit. The main reason for Huang Yuhui's degeneration from a country party committee deputy secretary into a lousy criminal lies in that he relaxed the transformation of his world outlook. Therefore, party organizations at all levels must strengthen education on party members, particularly on party-member leading cadres, in party spirit, party style, and party discipline; strengthen their sense of party spirit; and increase their ability to resist the invasion of decadent bourgeois ideas.

3. Leading groups at all levels must strictly carry out regular organizational activities and persevere in criticism and self criticism. Huang Yuhui's degeneration has something to do with unsound organizational activities of the Hexian County CPC Committee. Even when Huang Yuhui's crimes were fully exposed, members of the county party committee did not carry out active ideological struggle. This reminds us that party leading groups at all levels must perfect inner-party organizational activities, and conscientiously place themselves under the supervision of party organizations and ordinary party members.

4. In selecting leading cadres, party organizations at all levels must adhere to the principle of having both political integrity and ability and appointing people on their merits and ability. Attention must be paid not only to a candidate's ability, but also and more essentially to his political integrity, and to whether he can adhere to the 4 basic principles and serve the people wholeheartedly.

GUANGXI REPORTS SUCCESS IN FAMILY PLANNING

HK270603 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Sep 86

[Excerpt] Since the CPC Central Committee's open letter was published in 1980, 230,000 couples in Guangxi had taken single-child certificates by June this year in response to this state's call for a couple to have only one child; in addition, 3.72 million people had taken comprehensive contraceptive measures. The natural population growth rate has dropped from 16.5 to 14.49 per 1,000. The percentage of births that exceeded the number allowed has dropped from 35 to 27. The number of births in the past 6 years has dropped by 900,000 compared with the previous 6 years.

The results of advocating that a couple have only one child have already had a good effect on the region's economic and social development. The percentage of the population aged from 1 to 9 has dropped from 28 in 1980 to 26 in 1985. The region's average per capita industrial and agricultural output value has risen from about 300 yuan to about 400 yuan. The lower number of births in the past 6 years has economized 36 million jin of grain for the state, together with 1.62 billion yuan of expenditure on bringing up children.

Both society and the home have benefited from the policy advocating that a couple have only one child. From 1980 to 1985, the average number of children in the homes of couples of child-bearing age dropped from 3.67 to 3.1. [passage omitted]

Station Commentary

HK270605 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Sep 86

[Station commentary: "No Neglect of Family Planning Work Can Be Allowed"]

[Excerpts] [Passage omitted] We have achieved gratifying success in family planning work, but problems also exist. For instance, take the percentage of births that exceeded the allowed number: According to sample surveys conducted by departments concerned, this figure rose by 5 percent in the first half of this year compared with the same period last year. The region's natural population growth rate was 14.49 per 1,000. This shows that Guangxi is still rather backward in family planning, and we absolutely cannot allow any neglect of it.

The strange thing is that certain comrades often acknowledge that family planning is China's national policy but then go and do something else. The phenomenon of births exceeding the number allowed is rather serious. When discussing family planning work, these comrades say nothing about how to strengthen leadership, how to put the measures on a firm basis, and how to do a good job in ideological and political work. Instead they lay too much emphasis on how much of a fine should be collected for births that exceed the number allowed, and cite this figure to show how effective they are in grasping family planning, as though it were the sole criterion for success in family planning. If this were the case, there would be no need to mobilize and educate the masses or put measures on a firm basis; everything would be splendid so long as fines were imposed on people having more children than the number allowed.

We hold that this is a harmful view that does not help to control population growth. The collection of large amounts of fines does not mean that you have done well in family planning work; it can only show that there are too many excess births and that the work of putting family planning measures on a sound basis has not been grasped well. [passage omitted]

In view of the current desire of some of the masses to have more children, while the grass-roots cadres dare not or do not want to do anything about it, we must conduct propaganda and make calculations to enable the masses to understand the relationship between controlling population numbers and improving population quality, and to see that family planning is one of the major measures for discarding poverty and getting rich. [passage omitted]

HUBEI LEADER STRESSES FAMILY PLANNING

HK270634 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Sep 86

[Radio talks by Vice Governor Liang Shufen: "Continues To Uphold Family Planning as a Basic National Policy and Contribute To Controlling Excessive Population Growth" -- recorded]

[Excerpts] Comrades, 25 September is the 6th anniversary of the CPC Central Committee's open letter to all CPC and CYL members on controlling China's population growth. In the past 6 years, thanks to the common efforts of the province's people, Hubei has smoothly fulfilled the population plan of the Sixth 5-Year Plan and steadily got through the cyclical effect of the first birth peak of the 1950's. According to statistics, during the Sixth 5-Year Plan, the province's population rose from 46.84 million at the end of 1980 to 49.31 million at the end of 1985. The number of births during the 5 years was 470,000 less than planned. Many advanced areas and individuals have come to the fore in family planning work. [passage omitted]

The tasks of the province's family planning work during the Seventh 5-Year Plan remain very arduous. Beginning in 1985, Hubei entered the third peak birth period, an annual average of 650,000 young couples will be marrying and having children. The Seventh 5-Year Plan stipulates that Hubei's population must be kept below 26 million by the end of 1990. In accordance with this plan, the number of births during the next 5 years cannot exceed 800,000 a year. Calculating by the number of people of marrying age, if the birth of a second or more child cannot be effectively controlled, the number of births each year might exceed 900,000 and the population plan for the Seventh 5-Year Plan could hardly be fulfilled. All other work may be affected by this. The number of births in the first half of this year showed some rise over the same period last year. This is an extremely severe situation facing the people of the whole province. I hope all localities will assign family planning work an extremely important position and grasp it without cease. [passage omitted]

The following are the three main aspects of the family planning policy: 1) Universal advocation that a couple have only one child, and of late marriage and child-bearing; 2) arranging the birth of a second child for masses who are in genuine difficulties, and appropriately relaxing the policy slightly for minor minority nationalities; 3) strictly banning the birth of a second or more child not included in the plan, without any exception. This means that for quite a long time to come, both in the urban and rural areas a couple can have only one child. Those masses in genuine difficulties can have a second birth arranged in a planned way under the premise of not exceeding the population target plan. We must pay attention to improving work style in family planning work. [passage omitted]

SHAANXI OFFICIAL REFUTES PRICE RISE RUMORS

HK270355 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 27 Sep 86

[Text] According to SHAANXI RIBAO, there has been some reaction following the lifting of price restrictions on seven commodities including brand-name bicycles.

A responsible person of the provincial Prices Bureau has been interviewed on the price issue. He said: The rumor has recently gone around among the masses that the prices of color television sets, grain, edible oil, brand-name cigarettes and wine, and so on are to be raised. There is not the slightest basis for this rumor. Prices of color television sets will not be raised. The prices of ration grain and oil will not be raised; there should be some fluctuation in the negotiated price portion of grain and oil in light of changes in supply and demand. Price restrictions on this portion were lifted long ago. The prices of brand-name cigarettes and wine will not be raised either. I hope the consumers will get rid of unnecessary worries and apprehensions.

SERIOUS PRODUCTS OVERSTOCKING REPORTED IN SHAANXI

HK290225 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 29 Sep 86

[Text] A letter from station reporter Wang Bin reports that there is serious overstocking of products at some factories, and large bank loans are tied up in the value of finished goods.

The letter says: According to a survey of 153 state-owned enterprises carried out by the Baoji City Industry and Commerce Bank, the amount of capital tied up by finished goods there in the first half of the year showed a rise of 54 percent compared with the same period last year. Eighty-two percent of the increased loan figures at the end of June comparied with the beginning of the year were accounted for by the value of finished goods.

The Baoji automobile plant has a stockpile of 240 truck trailers worth 1 million yuan. The Fengxiang County cotton weaving mill has a stockpile of 330,000 meters of fiber cloth, typing up 1.67 million yuan in capital.

An important reason for the overstocking of products is that the goods do not meet market needs. Producation of some exceeds sales, while some are low quality and high priced.

The letter says: To produce cheap good-quality products that sell well in the markets is the basic principle of enterprise operations. Enterprises where there is serious overstocking of products should resolutely correct their one-sided pursuit of output value, shift their operational focus to improving economic results, step up market forecasting, readjust their product structure, and repaidly change the situation of continue production of items that are already seriously overstocked.

SHAANXI MEETING VIEWS FINANCIAL, OTHER ISSUES

HK270351 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 27 Sep 86

[Excerpts] The 4-day 20th meeting of the 6th provincial People's Congress standing Committee concluded yesterday. The meeting focused on discussing and examining the implementation of the province's budget from January to August and efforts to extricate the Qinba Mountains from poverty.

The province's financial revenue from January to August was 1.58 billion yuan, representing 67.49 percent of the year's plan. At the same time financial expenditure totalled some 2.1 billion yuan, representing 62.89 percent of the year's plan. Expenditure rose by 28.96 percent over the same period last year.

Some committee members said that the main reason for the province's excessive expenditure during the period was failure to live within its means, along with great blindness. It is essential to display resolve to achieve a balanced budget during the last few months of the year. While discussing and examining Vice Governor Xu Shanlin's report on work to extricate the Qinba Mountains from poverty, the participants held that the provincial government has done a lot of work in this respect in the past 2 years. However, these achievements must not be overestimated. The difficulties in that region must not be underestimated. We must pay attention to solving problems in extricating the area from poverty and carrying out construction there. [passage omitted]

Chairman Yan Kelun and Vice Chairman Li Lianbi presided at the meeting. [passage omitted]

SHAANXI PLA BUILDS MISSILE SIMULATOR TRAINER

HK291424 Xian Shaanxi Provincial Service In Mandarin 0200 GMT 29 Sep 86

[Text] According to SHAANXI KEJI BAO [SHAANXI SCIENCE AND TECHNOLOGY JOURNAL], preparations are being stepped up for construction of the PLA's first strategic missile simulator training center at the Technology Academy of the No 2 Artillery Corps. The first group of two purple-system [zi xitong] simulators connected by miniature motors are flexible in operation and give ideal results. This simulator training center indicates that the PLA's strategic missile units are leaving behind their unwieldy and complex training methods of the past and have entered a brand-new stage in which training is scientific, automated, and similar to actual combat.

BEIJING RADIO VIEWS 'ONE COUNTRY, TWO SYSTEMS'

OW250945 Beijing in Mandarin to Taiwan 0205 GMT 22 Sep 86

["Rambling Talk on State Affairs" program, commentary by Wen Liang]

[Excerpts] [passage omitted] Today I would like to discuss one question with you. Let us analyze what is worrying you about realizing the concept of one country, two systems.

Listeners and friends, let us first discuss one particular viewpoint -- the concept of one country, two systems means the implementation of two radically different systems in a country; this is not feasible at all; ultimately the big will swallow the small, and the two different systems will be forced into one. In my opinion, this viewpoint makes the mistake of oversimplifying one's way of thinking. There are many different things in the world, which, in itself, is a complex mass. In the world, numerous different things coexist in an intricate manner, and there are no pure and singular things. This is especially the case with human society.

Let us take the present sitution on the mainland as an example. As you know, the economic system on the mainland is a socialist one. However, this system is by no means a singular economy. Besides the state-owned economic organizations based on ownership by the whole people and the collective economic organizations of various sizes, there are a relatively large number of semisocialist and nonsocialist economic organizations, such as cooperatives, privately owned units, and even state-capitalist economic organizations. [passage omitted]

You must have heard about the special economic zones on the mainland. Now, let me use the Shenzhen Special Economic Zone as an example. At present, state-owned and collective enterprises, or enterprises of a socialist economic nature, are less than half of all the enterprises in Shenzhen, and most of these enterprises are using capital from abroad. In other words, the economy is of the nature of capitalism and state capitalism. Do you think this is impossible? Do you think it is a flat contradiction that a capitalist economy is allowed to exist in a socialist country? However, the fact is, the Shenzhen Special Economic Zone is developing rapidly. It is having a profound effect on promoting economic growth in other parts of the country and, at the same time, is receiving vast manpower and financial support from the latter. In fact, the two complement each other, and each one has a role to play.

Now, if the peaceful coexistence of socialist and capitalist economy can be a reality in a certain area under specific conditions, then why can't the two different systems of Taiwan and the mainland coexist? What is more, the Taiwan authorities do not believe that they are practicing capitalism. They say that they are implementing the three Principles of the People. One of the three principles -- the principle of Social Welfare -- is socialism according to Dr Sun Yat-sen's explanation. Compared with capitalism, the Three Principles of the People bear more resemblance to the system being practiced on the mainland. There is no reason for Taiwan and the mainland to be oppposed to each other. Don't you think so? [passage omitted]

Listeners and friends, I understand there is another worry, that is, now that Taiwan has performed an economic miracle and the Taiwan compatriots are leading a life far better than the people on the mainland, Taiwan will suffer a great loss once the country is reunified.

With regard to this question, long ago the government of the motherland laid down a clear-cut policy, which has been mentioned in Ye Jianying's nine-point explanation and Mr Deng Xiaoping's numerous talks. Here I wish to say something about this.

First, how should we assess the gap? The gap is not an absolute one. In many localities on ther mainland, for example in Shanghai, Guangzhou, and many areas in the south, the people's living standards are not necessarily lower than Taiwan's average living standards. These localities are even more advanced than Taiwan in many respects, such as in basic industry, sophisticated science and technology, and national defense industry. As I have said previously, each has its shortcomings and strong points. It is inappropriate to be complacent about one's strong points and thus obstruct the reunification cause. Moreover, everything in the world is developing and changing, and no gap will continue forever. With the implementation of the present CPC policy of opening to the outside world and enlivening the domestic economy, the people's living standards on the mainland will increase quickly, and the gap with those of the Taiwan compatriots will gradually diminish and disappear.

Listeners and friends, let us analyze one more worry, that is, that the CPC is not trustworthy, and that its policy may change after reunification is realized. The reason for this line of thinking is that in the last two instances of cooperation with the CPC, the Kuomintang suffered losses because it believed and trusted the CPC and errors were committed by the CPC in ruling the mainland. In my opinion, neither of these allegations should be a cause of worry. [passage omitted]

As Mr Hu Yaobang, general secretary of the CPC Central Committee, has said, neither of the two unfortunate divisions was caused by the Communist Party; we do not want to settle old accounts here, but let bygones be bygones. The two instances of Kuomintang-CPC cooperation have become a matter of history. We do not want to argue now who was right and who was wrong. What we want to see is that you are free from worries, pay attention to historical facts, and trust that the CPC will keep its word.

As for the realistic question whether the CPC's policy will change, Mr Deng Xiaoping has said unequivocally: Our actions will follow our words, and we will never play tricks. The policy of one country, two systems is not my personal idea, but a principle adopted by the NPC. As a law, how can it be changed? The key is whether the policy is correct or incorrect. If it is correct, nobody can change it. If you say that vacillation of CPC is evident from the decade of turmoil and the several political movements on the mainland, then I would say: Bad things can often turn into good ones. That is, a fall into the pit, a gain to your wit, as the saying goes.

OPPOSITION GROUP FORMS NEW POLITICAL PARTY

BK281700 Hong Kong AFP in English 1648 GMT 28 Sep 86

[Text] Taipei, Sept 28 (AFP) — A major Taiwan opposition group Sunday announced the formation of a new political party, despite the fact that such a move is illegal, an opposition leader said. Some 135 opposition figures co-signed the declaration forming the new party, the Democratic Progress Party, Yu Ching told AGENCE FRANCE-PRESSE.

It was formed by the Tangwai, which means outside the (ruling) Kuomintang (KMT), a major oppostion group here.

Justice Minister Shih Chi-yang warned Saturday that anyone who violated Taiwan's ban on forming new political parties would be "dealt with in accordance with the law."

Mr Yu, a former Tangwai Research Association for Public Policies (TRAPP) chairman, said Sunday that the ban was "without legal basis, it was only a policy declaration by the KMT. If any of us was arrested because of the new party's formation it will be political persecution."

The KMT allowed the TRAPP to open branch offices in May, and a KMT Standing Committee has been considering reforms to the party ban for several months.

Takes KMT by 'Surprise'

HK290854 Hong Kong AFP in English 0835 GMT 29 Sep 86

[By Hsin-Hsin Yang]

[Text] Taipei, Sept 29 (AFP) -- An opposition group's announcement that is had formed a new political party has taken Taiwan's ruling Kuomintang (KMT) by surprise, observers said here Monday. Informed sources said top KMT officials and security authorities held urgent meetings late Sunday after 135 Tangwai opposition members signed a declaration announcing the creation of the Taiwan Democratic Progress Party.

There was no immediate official reaction or indication of what steps that KMT was likely to take in response to this open defiance of a 37-year-old ban on the setting up of political parties. A ban on new political parties has been in force since 1949 when the KMT fled the mainland for Taiwan after being defeated by the communists.

The announcement of the party followed an impromptu proposal at a meeting Sunday called to select oppostion candidates to contest December 6 elections to the National Assembly and Legislative Yuan (parliament), an opposition member said. The declaration was signed by 135 oppositionists and announced at the meeting by senior legislator Fei Hsi-ping.

Mr. Fei was also one of seven people elected to the new party's organizing committee to work out details of the party's charter and policy platform before a national conference scheduled to be held before the end of the year.

The announcement by the Tangwai -- which literally means "Outside of the (KMT) Party" -- was made one day after Taiwan's Justice Minister Shih Chi-yang warned that organizers of new parties "would be dealt with in accordance with law." The 135 signatories included the 20 Tangwai candidates for the Legislative Yuan elections and 22 nominees for the National Assembly elections.

A member of the Tangwai Research Association for Public Policy (TRAPP) said the group-signing was designed to head off possible arrests by the authorities because "it would be embarassing to arrest all who signed the declaration." He shared the view of some independent observers who believed the surprise formation of the party was part of the opposition's strategy to win votes in the year-end elections.

"We've been vowing to break the party ban for years and if there was no progress in this regard, how could we appeal to our supporters," he commented. The move was also inspired by exiled dissident Hsu Hsing-liang, who said from New York that he planned to return and challenge the party ban by forming the Taiwan Democratic Party on October 4, the TRAPP member added.

The Tangwai's move surprised Li Hung-hsi, a National Taiwan University law professor and one of three academics who had persuaded the KMT and TRAPP to begin a dialogue in May. "There was no indication at all that they were going to make such a move," Mr. Li said, adding that he feared the move would "enhance confrontation" despite concessions made by the KMT in recent months. It would make more difficult the efforts to resume the dialogue, suspended indefinitely in June by TRAPP after two meetings, Mr. Li said.

The KMT had allowed TRAPP to open branch offices in May, but insisted that it register with the Interior Ministry as a civilian organization and drop the word Tangwai from its name. TRAPP has opened 13 offices since then without complying with the conditions. The two legal parties other than the KMT -- The Young China Party and China Democratic Socialist Party -- were both formed before the 1949 ban and are allies of the ruling party with little say in decision-making.

PREMIER DENIES COUNTRY'S INTERNATIONAL ISOLATION

OW261135 Taipei CNA in English 1015 GMT 26 Sep 86

[Text] Taipei, Sept. 26 (CNA) -- Premier Yu Kuo-hua said Friday that the Republic of China [ROC] is not isolated in the international arena following its withdrawal from the United Nations and its affiliated international organizations.

Answering an interpellation from Legislator Tsai Shen-pan, the Premier said that the nation maintains 57 representative offices in countries with which the ROC has no diplomatic ties and that the nation has formal or informal affiliation with 673 international organizations. Of the 167 nations in the world, Yu said, the ROC has substantial relations with 140.

Yu also said that, while adhering to the principle of self-determination and independence and holding firmly to its anti-communist stand, the ROC continues to play an active and constructive role in the arena of international relations.

Rejects Flag, Name Change

OW261129 Taipei CNA in English 1018 GMT 26 Sep 86

[Text] Taipei, Sept. 26 (CNA) -- Premier Yu Kuo-hua rejected a proposal made Friday in a Legislative Yuan interpellation to change the national name, flag and anthem of the Republic of China.

Premier Yu said that the Republic of China was established through the devotion and efforts of numerous revolutionary martyrs. "We should be proud of our country," Yu stressed. As the name, flag and anthem of the nation represent the country, a change of any of these symbols would constitue a denial not only of its status and position, but also of the country itself, the premier asserted.

Yu made the remarks in reply to an interpellation by Legislator Tsai Sheng-pang.

YUAN REITERATES STAND ON SPORTS CONTACTS

OW291459 Taipei CNA in English 1445 GMT 29 Sep 86

[Text] Taipei, Sept. 29 (CNA) -- The Executive Yuan of the Republic of China has reiterated its principle of separation of politics and sports and academic events in handling cases of the nation's civic groups taking part in international sports and athletic events.

On the condition of not violating the nation's anti-communiste stand, the government will allow domestic scholars and athletes to take part in international conferences or games in communist nations on a case-by-case basis, the Yuan said in a written response to interpellations by Legislator Lin Yu-hsiang, Chiang Peng-chien and Huang Chu-wen.

With regard to the principle followed on whether to approve the broadcasting of sports events in communist nations or those in which this nation's athletes compete against communist athletes, the Yuan said that the Government Information Office's principle concern is to consolidate the nation's solidarity and to prevent the people here from being adversely affected by communism.

Under the prerequisite of not violating the nation's basic policy, the government will try to be as flexible as possible in handling these cases, it said.

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PRC PRAISED FOR PAYMENT OF UN BUDGET SHARE

OW261143 Beijing XINHUA in English 1100 GMT 26 Sep 86

[Text] United Nations, September 25 (XINHUA) -- Speakers pointed to debtor nations for the United Nations' financial woes during the 41st General Assembly session in recent days.

Mexican President Miguel de la Madrid said the U.N. financial problems were caused mainly by the lack of payment from several member states.

"Our contributions to the United Nations represent a juridical obligation that no one can repudiate unilaterally," he said.

The foreign minister of Singapore, S. Dhanabalan, called the money needed to save the organization, "a pittance".

"If the world cannot squeeze out this small amount to keep the U.N. financing, it is a clear sign that the international community has lost faith in the U.N.," he said.

He attributed the financial crisis to the "reckless use" of votes by small states on budgetary matters and urged all nations to learn the "art of political moderation."

He pointed out that the United States and the Soviet Union have the largest financial withholdings.

Canadian Secretary of State for External Affairs Joe Clark praised China for announcing payment of the accumulated withholdings of 4.4 million U.S. dollars. He called other states to follow the Chinese example.

Clark said the UN needs political as well as financial reform.

Irish Foreign Minister Peter Barry also urged immediate reform to end the organization's deepening financial crisis.

Polish Foreign Minister Marian Orzechowski supported the reductions. But he added, "The extent of that reduction has to be determined by the necessity of the U.N. to discharge its statutory functions under the charter."

IAEA HOLDS SPECIAL SESSION ON ACCIDENTS

OW251350 Beijing XINHUA in English 2337 GMT 25 Sep 86

[Text] Vienna, September 24 (XINHUA) -- The International Atomic Energy Agency opened a special session here today to set the seal on two international conventions concerning early notification of nuclear accidents and emergency assistance to victims.

Delegates at the ministerial level and experts from more than 80 countries attended the three-day meeting to discuss ways of increasing international cooperation in nuclear safety and radiation prevention, in the wake of the Soviet Chernobyl nuclear accident.

In an opening speech, agency Director-General Hans Blix said that nuclear security has become a center of worldwide concern following the Soviet nuclear accident, and various countries had taken a new look at and adjusted their nuclear policies, with the emphasis on tightening nuclear security.

While stressing nuclear energy as necessary and clean, Blix said the seriousness of nuclear accidents must be taken into account, hence the need to introduce a series of feasible nuclear security measures to build up populous confidence and the sense of security about peaceful use of nuclear energy.

Blix proposed, among other things, the formulation of norms and standards for nuclear security binding all countries. He called for stepped-up training of technical personnel to avert mishaps resulting from designing and manipulation.

Blix also proposed that regular visits should be made by experts to related countries to see whether their nuclear power stations are working in good order.

Soviet delegate B.E. Scherbing said at the meeting that his country is willing to sign the two conventions, and will voluntarily notify other countries of possible nuclear accidents at its nuclear stations or during nuclear tests.

U.S. delegate John Herrington reiterated his country's policy on nuclear energy and the wish to act on the two conventions. He also renewed U.S. commitment to make voluntary notification of nuclear accidents.

Delegates from Britain, Federal Germany and other countries said industrial countries should commit themselves more to the peaceful utilization of nuclear energy, giving nuclear security top priority as nuclear energy points the direction humanity will follow.

All members of the Chinese delegation attended today's session. Jiang Xinxiong, who leads the delegation, spelled out China's policy on nuclear energy and its stance on international nuclear security.

PRC, Others Sign Conventions

OW271017 Beijing XINHUA in English 0831 GMT 27 Sep 86

[Text] Vienna, September 26 (XINHUA) -- The three-day special conference of the International Atomic Energy Agency (IAEA) ended here today, after adopting two conventions to strengthen international cooperation in combating accidental nuclear disaster.

The convention on early notification of a nuclear accident requires that, when a nuclear accident takes place in a signatory country which has produced or may produce trans-boundary radioactive release, the country must notify IAEA and the other countries affected of the nature, time and place of the accident.

The other convention, the convention on assistance in the case of a nuclear or radiological emergency, demands that all signatories offer assistance to countries affected by nuclear or radiological accidents so as to help reduce the harm to lives and properties and diminish environmental contamination.

More than 50 countries including the Soviet Union, the United States, France, Britain and China signed the two conventions, which will enter into effect three months after being approved by the signatory governments.

The representatives of the signatories said that the two conventions marked a stride forward in strengthening international cooperation for nuclear safety. But they pointed out that this was only a beginning and that more efforts are needed to perfect such cooperation.

The IAEA meeting, which was attended by 639 representatives from 94 countries and 27 international organizations, also adopted a final document which stressed the necessity to develop nuclear energy and enhance nuclear safety.

The document praised IAEA, a U.N. affiliate, for its efforts to promote the utilization of nuclear energy and the international cooperation for nuclear safety. It also urged all countries to sign the two conventions.

PRC URGES IMF, WORLD BANK TO AID INDEBTED NATIONS

OW280248 Beijing XINHUA in English 0231 GMT 28 Sep 86

[Text] Washington, September 27 (XINHUA) -- The foremost task before the International Monetary Fund (IMF), the World Bank and the entire world community in the 1986-90 period "is to help the developing countries out of their crisis and regain the momentum of development as soon as possible," a senior Chinese official said here today.

Li Peng, the Chinese vice-minister of finance, was speaking at a ministerial meeting of the group of 24 preceding the 1986 annual meetings of the IMF and World Bank.

The Group of 24 was formed at the 1972 Lima meeting of the Group of 77 to represent the interests of the developing countries in negotiations on international monetary matters.

The fact that the developing countries have been pushed into a serious crisis of development has already become a major factor of instability in the world economy today, the vice-minister noted.

He noted that the international economic environment for the developing countries has further deteriorated as a result of a decline in the prices of primary commodities and petroleum, surging protectionism, sharp reduction in export earnings of developing countries and worsening outflow of resources from these countries.

Referring to the international debt problem, Li said, the Chinese Government has always supported all reasonable proposals and demands put forward by the group of 24 for the solution of the debt problem. He expressed the hope that major developed countries will seriously meet their obligations toward solving the debt problem.

Aside from urging commercial banks to expand lending to indebted countries, the developed countries should take effective measures to alleviate the debt burdens of the debtors and increase resources outflow to the developing countries, the Chinese official said.

The developed countries, Li went on, should also create, through coordinated monetary and fiscal policies as well as effective prevention and rollback of protectionism, an international financial and trade environment favorable to the export expansion of the developing countries.

The vice minister said that like other developing countries in IMF, China believes that the financial institution should exercise effective surveillance over the economic policies of developed countries, so as to maintain a stable international monetary and financial system and minimize the damage to the world economy, particularly to the developing economies.

It is highly necessary that the allocation of special drawing rights should be proceed as scheduled, Li said, adding, only thus can the difficulty of developing countries in reserve replenishment be alleviated and ever-growing needs for more resources flows be satisfied.

Li Peng pointed out, "The IMF quota increase and the World Bank general capital increase are the main ways for the two institutions to expand their capital bases." Preparations should be made in advance and agreements reached in time, he added. He urged the two institutions to make serious efforts for the fulfilment of the United Nations program of action for African economic recovery and development 1986-1990.

"We hope that greater efforts will be made by the developed countries to initiate a big increase in the official development aid so as to meet the needs of the low-income countries for concessionary funds," Li said.

People's Bank Official Speaks

OW282005 Beijing XINHUA in English 2003 GMT 28 Sep 86

[Text] Washington, September 28 (XINHUA) -- A senior official of the People's Bank of China today called for the reversal of the trend in which the developing countries' economies keep deteriorating.

Liu Hongru, first deputy governor of the People's Bank of China was speaking at a meeting of the Interim Committee of the Board of Governors of the International Monetary Fund (IMF).

Liu Hongru noted that the sharp decline of export earnings of some developing countries caused by the decrease in exports, the serious deterioration in the terms of trade, and the crippling effects of protectionist measures, have greatly outweighted the reduction of interest payments. The plunge in oil prices has also exacerbated the difficulties in some oil-exporting countries, he went on. At the same time, debt services are increasing far beyond capital inflows.

"Such conditions have caused immeasurable damaging effects to capital formation, and to the future capacity of production in developing countries," the Chinese central banker stressed.

The deputy governor quoted the latest data from the "World Economic Outlook", suggesting that the average projected growth rate of developing countries in 1986 will be no more than 44 percent of the rate recorded during the 1960s and 1970s, and that the growth rate of per capita income will be only 0.4 percent. "It is hardly imaginable that world economic prosperity and political stability can be sustained in an environment in which the developing countries economies keep deteriorating," he stressed.

He said the industrial countries should strengthen policy coordination, open market, reduce real interest rates, stabilize exchange rates, and roll back protectionsim.

In addition, he continued, the industrial countries should also put into operation growth-oriented debt strategies and substantially increase development assistance, especially in financing long-term structrual adjustments in the developing countries through international institutions. The role of IMF should be further strengthened.

Li Hongru said, the international debt problem can not be solved in the short term. He said that improvement in the international economic environment is 'the crux of alleviating the debt situation and settling this debt issue through growth is an essential approach to debt crisis.

He said the IMF has started providing structural adjustment loans to low-income member countries, and he hoped the operation will proceed smoothly.

Wang Bingqian Meets Bank Head

OW280916 Beijing XINHUA in English 0745 GMT 28 Sep 86

[Text] Washington, September 27 (XINHUA) -- China's Finance Minister Wang Bingqian called on World Bank President Barber B. Conable today to discuss ways of increasing cooperaton and work links between China and the World Bank.

Taking part in the discussion were Vice Finance Minister Li Peng and other members of a Chinese delegaiton as well as World Bank Senior Vice-President Ernest Stern.

In the evening, Wang Bingqian hosted a dinner for the president, vice-presidents and other senior officials of the World Bank.

The Chinese delegation led by Wang Bingqian is here to attend the 1986 annual meetings of the boards of governors of the International Monetary Fund and the World Bank.

Wang Addresses Development Body

OW300056 Beijing XINHUA in English 0030 GMT 30 Sep 86

[Text] Washington, September 29 (XINHUA) -- Chinese Finance Minister Wang Bingqian today urged the developed countries and multilateral financial institutions to make further efforts to tackle the debt problems and to relieve the difficulties of the Sub-Saharan African countries.

Wang spoke this morning at the meeting of the Development Committee of the World Bank and the International Monetary Fund (IMF). As a rule, the Development Committee held a meeting on the eve of the annual meeting of the two international financial institutions.

The Chinese minister said: "At the last annual meeting, consensus was reached that a fundamental solution to the debt problem required the creation of favorable conditions that would enable the indebted countries resume economic growth and enhance debt-servicing capacity. It is regrettable, however, that the consensus has yet to be translated into concrete action."

During the past year, Wang remarked, the indebted countries and international financial institutions as well as some creditor countries have made efforts to various extents to solve the debt problem.

However, the Chinese finance minister added, "Major creditor countries have hitherto failed to respond effectively to the debt problem."

"It is our hope that the creditor countries and commerical banks will actively join the indebted countries and multilateral institutions in the common endeavor to tackle the debt problem," said Wang.

Dwelling on Sub-Saharan Africa, Wang pointed out that the measures taken by the World Bank and the IMF are conducive to the economic turnaround of Sub-Saharan Africa.

"It is our hope that the World Bank and IMF will exert themselves to proffer greater assistance to the Sub-Saharan Africa," he said.

"It is worth pointing out, however," he continued, "that Official Development Assisatance (ODA) over the past two years has increased little and as such falls far short of the demand of low-income countries for concessional funds.

We call on the donor countries to pay the highest attention to the issue with a view to expanding ODA immediately and substantially."

"Thanks to its commendable effort, the World Bank succeeded in expanding its lending to 13.2 billion dollars in fiscal 86, reflecting the urgent need of the borrowing countries," Wang said.

Wang continued that "The existing capital base of the World Bank can sustain annual lending of 14.3 billion dollars only. The lending program of the World Bank being as planned, a general contribution increase [GCI] is not only necessary but also urgent in timing, if capital were not to become a constraint on the World Bank's lending.

We agree to the schedule of the GCI as proposed by the president of the World Bank, i.e., to reach an agreement on the GCI by spring 1987. We hold the view that as a result of the GCI, the voting power of developing countries as a group should be restored to 42.36 percent, the position prior to the 1984 selective capital increase."

Noting that an agreement has been basically reached on the size of IDA-8, Wang urged donor countries to make continued efforts and to adopt a flexible attitude towards the few pending issues in order that the negotiation as well as the agreement on IDA-8 can be finalized at an early date.

At the same time, Wang said: "We note with regret the suggestion put forward at the meeting of the IDA deputies to shorten the maturity of IDA credits. If implemented, the suggestion will not only reduce the concessionality of the IDA credits, but have the grave consequence of leading to possible hardening of IDA credits' other conditions as well."

The suggestion which the Chinese finance minister mentioned is that the length of the IDA loans is to be reduced from 50 years to 40 years or 35 years.

RENMIN RIBAO COMMENTS ON 'DANILOFF AFFAIR'

HK250305 Beijing RENMIN RIBAO in Chinese 23 Sep 86 p 6

[Article by Zhang Liang [1728 0081]: "Storm Over the 'Daniloff Affair'"]

[Excerpts] A Conspicuous Problem Over the Ministerial Talks Table [subhead]

On 19 September, President Reagan suddenly sent for Soviet Foreign Minister Eduard A. Shevardnadze and expressed his strong indignation at the Soviet Union's continous refusal to send Nicholas Daniloff back to the United States. Suddenly, the "Daniloff Affair" escalated to be a major issue over the talk table of the U.S.-Soviet ministerial talks held on 18 and 19 September. This caused suspense on when the second U.S.-Soviet summit talks, which had been the original aim of the ministerial talks, would be held.

When the ministerial talks were over, U.S. Secretary of State George P. Shultz and Soviet Foreign Minister Eduard A. Shevardnadze each held his own press conference. Shultz said, the "Daniloff Affair" has overshadowed the relations between the two countries; under such circumstances, it will be very difficult to imagine the possibility of a fruitful summit meeting. Shevardnadze for his part said, some U.S. moves have already made people doubt the possibility of a summit. One of these moves was the U.S. order to expel 25 diplomats stationed in the United Nations. The speeches of both foreign ministers have shown that he effects of the "Daniloff Affair" continue to make themselves felt. [passage omitted]

A new development in the affairs was the U.S. announcement made on 17 September demanding that the Soviet Union to withdraw 25 members of its delegation stationed in the United Nations, with the deadline falling on 1 October. The spokesman of the State Department said, this action of the United States has nothing to do with the "Daniloff Affair"; back in March 1986, the Reagan administration decided to demand than the Soviet Union reduce by phases the number of people stationed at the United Nations. However, people in the West believe that it was extraordinary to announce this order at this juncture. The Soviet Union has reproached that "this order is illegal, irresponsible, and provocative," and expressed that the Soviet Union might likewise adopt tougher measures. On 21 September, Secretary Shultz further disclosed: Without a solution to the "Daniloff Affair", a second U.S.-Soviet summit would be impossible.

It is still hard to foretell how the "Daniloff Affair" will develop. Anyway, it is beyond doubt an eyecatching storm in recent U.S.-Soviet relations.

XINHUA ON PROSPECTS FOR U.S.-SOVIET SUMMIT

OW231216 Beijing XINHUA in English 1146 GMT 23 Sep 86

["News Analysis: Prospects for U.S.-Soviet Summit Unclear (by Shi Lujia)" -- XINHUA headline]

[Text] Washington, September 23 (XINHUA) -- The U.S. and Soviet foreign ministers held a two-day meeting here to discuss preparations for a second U.S.-Soviet summit.

However, the meeting failed to fix a date for the summit, despite the fact that both sides appear to have moved closer to an agreement on specific problems of arms control.

The meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze was held at a time when new disturbances have arisen in U.S.-Soviet relations.

In August, the United States arrested a staff member of the Soviet U.N. mission on charges of espionage. A week later, the Soviet Union detained Nicholas Daniloff, Moscow correspondent of U.S. NEWS AND WORLD REPORT, on similar charges. And then, the U.S. demand that 25 staff members of the Soviet U.N. mission leave the country before October 1 on the grounds that the mission was "overstaffed."

Under such circumstances, the two foreign ministers spent a considerable portion of their two-day meeting discussing this problem, and President Ronald Reagan held a special meeting with Shevardnadze to express his strong dissatisfaction at the Soviet charges that Daniloff was a spy. Soviet leader Mikhail Gorbachev also made a speech appealing to the United States not to create new obstacles to a second summit meeting.

However, the two sides failed to find an appropriate solution to the problem during their talks. After his meeting with Shevardnadze Shultz told reporters that "it is difficult to think of a fruitful summit" unless the Soviet Union allows Daniloff to go home.

Nevertheless, it appears certain that these incidents, although they have had serious repercussions, are only a small episode in the overall picture of U.S.-Soviet relations.

The fundamental factors in the failure to fix a date and agenda for the summit probably lie in the stances of the two superpowers on important issues such as arms control and regional disputes. In this respect, the positions of the two countries still remain far apart.

The Soviet Union made it clear from the beginning of the meeting that the second summit is not going to follow the pattern of the first, which resulted in the participants shaking hands and getting acquainted with one another. The Soviets hold, as indicated by Gorbachev, that the new summit must achieve concrete results, in particular, the signing of an agreement on arms control.

Although, the U.S. disagrees with the prerequisites set out by the Soviet Union for the summit, it claimed that the meeting should be "meaningful" and "fruitful". Yet despite the various efforts the two countries have made since the early part of this year, no big breakthrough has been registered on the issue of disarmament.

The major issue of the disarmament talks still appears to be Reagan's "star wars" program. In a letter addressed to Reagan on June 23, Gorbachev said that both Soviet and U.S. offensive nuclear weapons should be subject to large-scale cutbacks and that the United States should be allowed to conduct experimental laboratory tests for the "star wars" program. However, he insisted, such testing should be permitted only under the precondition that the United States should abide by the 1972 anti-ballistic treaty for another 15 to 20 years. As the treaty bans the actual "development, test and deployment" of a space-based defense system, the United States regards Gorbachev's proposal as merely an attempt to thwart the U.S. "star wars" program and win time for the Soviet Union to develop its own space defense system.

In his answer to Gorbachev's letter, on July 25, Reagan agreed to delay the deployment of the "star wars" system for seven and a half years. But according to some authoritative U.S. sources, the United States will not actually be ready to deploy the system until the mid-1990s. Thus, Reagan's promise was not taken by the Soviets as a concession.

Despite massive Soviet propaganda and diplomatic offensives aiming at the "star wars" program, the United States insists on carrying out nuclear tests to develop the components necessary for space weapons.

As for their problems in coping with various "hot spots" in the world, such as Central America, the Middle East, Afghanistan, East Asia and South Africa, the United States and Soviet Union have held a series of consultations, but have also failed to reach any agreements on these issues because of their conflicting global strategies and differing interests.

Because of national priorities, as well as domestic and foreign pressures, the two countries appear willing to maintain the momentum of their high-level talks, despite their difficulties and disagreements.

This, more than anything else, may account for the convening of the foreign ministers meeting, which had been delayed for months and is taking place against a backdrop of new tension between the two countries.

Shultz told reporters that as a result of his two-day talks with the Soviet foreign minister, he has come to see "potential" for reducing intermediate-range missiles in Europe, and establishing centers for reducing the risks of a nuclear war and preventing the proliferation of chemical weapons. He also said that the United States is still prepared for Gorbachev's visit once Daniloff is released by the Soviet Union. While expresssing his hope of continuing talks with U.S. leaders, Shevardnadze said that his two-day meeting with Shultz "in a way creates a foundation for holding a productive summit meeting."

The Washington press has been speculating that since the United States and Soviet Union cannot make a breakthrough in limiting strategic nuclear weapons and space weapons at the Geneva disarmament talks, they will probably seek a compromise in dealing with the issue of intermediate-range missiles and other minor problems so as to pave the way for continued dialogues at the highest level.

RENMIN RIBAO Column

HK251021 Beijing RENMIN RIBAO in Chinese 22 Sep 86 p 24

["Random Notes" by Sai Bei [1049 0554]: "My View on the U.S.-USSR Talks"]

[Text] The 32-month-long European Disarmament Conference has finally reached an agreement on mutual trust between NATO and the Warsaw Pact and on some security measures through 12 rounds of meetings, and has passed the final documents. [paragraph continues]

This shows that the two superpowers have changed their tense confrontation into a relationship which combines confrontation with dialogue. It seems that this is the nature of current U.S.-USSR relations.

However, the recent meeting of the two countries' foreign ministers, which was to arrange the summit meeting, encountered a deadlock because of the United States demand for the release of the American reporter Daniloff, and the meeting produced no results. Now, the two countries have not decided when to hold the summit meeting, In fact, events like the "Daniloff Affair" are never rare between the Soviet Union and the United States, but is is indeed a rare case which directly affects the meeting of the two countries' leaders.

In my view, there are many complicated reasons. Apart from their usual tactics of forestalling the opponent by launching a propaganda offensive to win psychological superiority in the course of negotiations, maybe there are also some domestic political factors. The United States is facing the mid-term elections in the Senate in November. The attitude of President Reagan -- who is well-known for his tough approach to the Soviets -- in the handling of the Daniloff incident may affect the gains and losses of the Republican Party in the elections. The President is facing strong pressure from factions which oppose dialogue with the Soviet Union. As a new leader in his country, Gorbachev also does not want to give people an impression of yielding to the pressure of the United States. It seems that before the two countries can find a solution that is acceptable to both sides to solve the Daniloff incident, the summit meeting is very likely to be postponed for some time. However, both sides now need to hold such a summit meeting, so they will eventually find a solution to resolve the deadlock.

NEWS ANALYSIS VIEWS USSR CONCERN ON SDI

OW241423 Beijing XINHUA in English 1335 GMT 24 Sep 86

["News Analysis: Moscow Worried About U.S. Allies' Participation in Star Wars Program (by Tang Xiushan)" --XINHUA headline]

[Text] Moscow, September 24 (XINHUA) -- The Kremlin became more concerned that ususal about the U.S. "star wars" program last Friday, whien the U.S. Administration signed a memorandum of understanding with the Italian Government on its joining the program. Moscow criticized the Italian Government for not keeping its word that it will make efforts to contribute to averting the threat of nuclear war and strengthening international security.

The Soviet official news agency TASS said in a commentary Friday that the Italian participation in research into the "star wars" anti-missile defense shield signifies " a reinforcement of the course towards upsetting the strategic balance, the spread of the arms race to outer space, and puts new obstacles in the path of possible accords on limiting and reducing nuclear and space arms."

Italy is the fourth country to officially join the "star wars" program, following Britain, Federal Germany and Israel. Japan, Canada and Belgium have decided to allow their companies to cooperate with the U.S. in developing the program, formally known as the Strategic Defense Initiative (SDI), but have not yet signed formal agreements. France, which firmly refused to join the project, has also modified its attitude by declaring that it will not hamper its industrial enterprises from making private deals with the U.S. on the issue.

The U.S. allies have joined the "star wars" program because it has strong economic appeal.

Washington has planned to spend 2.6 billion dollars in developing the space-based shield against nuclear-armed missiles in the next five years. But scientists estimate the expenses will amount to at least six billion dollars.

The U.S. allies want to get orders from the United States to improve their economies and share in the program's new technological achievements. At the same time, by participating in SDI different ways, they voice political and military support for Washington's programs.

The Soviet Union has made great efforts to convince the U.S. allies not to join the "star wars" program. However, it has failed and is facing a serious situation now that the United States and its allies are pulling together for carrying out the program.

These developments will surely affect the ongoing Soviet-U.S. arms control talks. Drawing its allies into the "star wars" project, Washington will accelerate the development of space and third generation nuclear weapons. The development of space and third generation nuclear weapons. The development of these weapons will require an increase of nuclear test explosions.

The Soviet Union, worrying about the possible destruction of the current strategic balance between the two superpowers, has tried by hook and by crook to reach an agreement with the U.S. on a nuclear test ban. For more than a year, the Soviets have observed a self-imposed nuclear test moratorium and have called repeatedly on the Reagan administration to follow suit. The U.S.S.R. has also put forward a series of "peace" proposals to end, or at least delay the research and deployment of the U.S. space weapons.

On the other hand, the Soviet Union has been speeding up its own research in developing "an anti-antimissile defense system" to counter the "star wars" program. According to Vitaliy Goldanskiy, a member of the Soviet scientists' committee for peace, the system can "neutralize" an antimissile defense system by knocking out both stationary targets and flying warheads.

It is clear that the nuclear arms race, especially in the area of outer space, will escalate if the Soviet-U.S. arms control negotiations in Geneva fail to reach an agreement as soon as possible.

'ROUND-UP' NOTES U.S., USSR ARMS CONTROL MOVES

OW241254 Beijing XINHUA in English 1234 GMT 24 Sep 86

["Round-Up: USA, USSR Inching Forward on Arms Control (by Shi Lukia)" -- XINHUA headline]

[Text] Washington, September 23 (XINHUA) -- Evidence is emerging that the United States and the Soviet Union are moving ahead, inch by inch, on arms control although it is too early to anticipate when they can reach a new agreement.

Addressing the U.N. General Assembly session today, Soviet Foreign Minister Eduard Shevardnadze said that "lately, encouraging outlines of meaningful agreements have been emerging" from arms control negotiations between the Soviet Union and the United States.

"A summit meeting is also a realistic possibility. We could move forward rather smoothly if that is what the U.S. side wants," he added.

His remarks echoed a statement by U.S. President Ronald Reagan who told the General Assembly Monday that the exchange of views between Washington and Moscow concerning arms issues this summer "could well have marked the beginning of a serious, productive negotiation on arms reductions.

"The ice of the negotiating stalemate could break -- if both sides intensify their effort in the new round of Geneva talks," Reagan said.

One area on which both sides have moved closer is the issue of intermediate-range nuclear missiles in Europe and Asia, according to both U.S. Secretary of State George Shultz and Shevardnadze.

After their meetings on Friday and Saturday, Shultz told reporters that the United States had seen "the potential for progress in reducing strategic, perhaps especially, intermediate nuclear forces (INF) and some other subjects.

"There was some progress made in INF, and that's perhaps one of the promising areas," he said.

Shevardnadze also said that INF "is a very promising area and there is a chance of narrowing the gap between the positions" of the two countries.

Another sign of movement toward arms control is that the 35-nation East-West security conference in Stockholm reached a final agreement on Sunday on the first accord governing the use of conventional military forces in Europe since the Second World War.

Although less significant, this is also the first military accord that has been concluded between the United States and the Soviet Union during the Reagan administration.

However, observers here noted that it is far from certain that an agreement on INF could be reached in the near future as both sides remain far apart on the other two major areas -- strategic nuclear weapons and space-based defense systems -- at the Geneva arms control talks.

It is also not clear whether the recent progress would meet the criteria set by Soviet leader Mikhail Gorbachev for a second summit meeting, which he said must be proceeded by "concrete results" on arms control.

In addition, the two superpowers are not bogged down in a new dispute over the issue of American reporter Nicholas Daniloff held in Moscow on charges of spying.

Shultz stated earlier that "It is difficult to think of a productive summit meeting" unless the Soviet Union let the reporter return home.

Shultz met with Shevardnadze again in New York today, trying to resolve the issue, but State Department spokesman Bernard Kalb later told reporter that "no resolution" has yet been found.

U.S. NAVY TO MAKE PORT CALL IN QINGDAO

OW301505 Tokyo KYODO in English 1451 GMT 30 Sep 86

[Text] Beijing, Sept. 30 KYODO -- A number of U.S. naval vessels will make their first port call in China at Qingdao, Shandong Province, in October, Defense Minister Zhang Aiping said here Tuesday.

China and the United States had earlier agreed on a U.S. port call which was to have been made in May at Shanghai. That call was cancelled, however, after China demanded to know whether or not the U.S. war vessels had nuclear weapons aboard. The United States refused to make clear whether or not the U.S. ships carried nuclear arms, thereby scuttling an important step in the promotion of military exchange between the two countries.

Speaking to reporters at a party on the eve of the October 1 national day at the Great Hall of the People, Zhang explained, however, that the U.S. naval ships "are not coming to China to fight," suggesting that China would not press the U.S. for clarification on the nuclear matter, clearing the way for fresh agreement on the port visit.

Foreign Minister Wu Xueqian, who was with Zhang, indicated that the U.S. had agreed to take note of the Chinese stance toward nuclear arms in sending the naval ships to a Chinese port. Wu said that the negotiations on the forthcoming port call had been settled through diplomatic channels.

The defense minister did not give reasons for changing the place of the port call from the earlier agreed Shanghai to Qingdao. But he said that China was ready to welcome U.S. naval ships to any Chinese port. He indicated that the forthcoming port visit will be made by "two or three" U.S. naval ships.

ACCORD SIGNED FOR LAUNCHING U.S. SATELLITE

OW301004 Beijing XINHUA in English 0929 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- The Western Union Telegraph Company of the U.S. has asked China to launch its Westar VI-s satellite with a Chinese-made "Long March-3" rocket, senior vice-president of the company Horace M. Leavitt, told a press conference here this afternoon.

An agreement on the launch reservation was signed at noon today in Beijing between his company and the China Great Wall Industry Corporation (CGWIC), which is responsible for satellite launching services.

The vice-president said that the Chinese rocket is suitable for the task as it requires only mechanical and dynamic information such as the weight of the satellite and does not require detailed information about the technical aspects. He said that the launch would take place at the Chinese launch center in Xichang no later than March 1988.

The satellite, weighing 1,325 kg, was scheduled for a space shuttle launch in June this year. "But that launch was postponed indefinitely following the loss of the Challenger spacecraft in January," he said.

"Using a Chinese rocket to launch our satellite is good business, not only because of the price," he added. Earlier last month, he said, the two sides signed a letter of intent for the launching. According to the vice-president, a technical team from his company visited various CGWIC facilities to review capabilities, technology and management, as well as the prospects for cooperation in satellite launching between the two companies.

China's "Long March-3" carrier rocket, a three-stage launching vehicle using liquid fuel, has so far successfully put two communications satellites into synchronous orbits.

Since China announced last October that it would put "Long March" carrier rockets on the international market for launching satellites for foreign clients, a Swedish space corporation and Telesat Inc. of the U.S. have signed memorandums of agreement with China on the launching of their satellites by Chinese carrier rockets.

INDUSTRY, COMMERCE FEDERATION DELEGATION IN U.S.

OW281218 Beijing XINHUA Domestic Service in Chinese 1650 GMT 24 Sep 86

[By reporter Liu Zhiguang]

[Text] Washington, 23 Sep (XINHUA) -- The All-China Federation of Industry and Commerce delegation led by Liu Jingji, vice chairman of the federation, arrived in Washington on 21 September for a 2-week visit at the invitation of the United States Chamber of Commerce.

Liu Jingji and his party today called on Secretary of Commerce Baldrige and Secretary of Labor Brock to discuss matters on developing economic and trade relations between China and the United States and the training of technical personnel. Liu Jingji and his party also met with responsible persons of the U.S. Chamber of Commerce and exchanged opinions on how to strengthen their contacts.

This evening, the Chinese Embassy gave a reception for the All-China Federation of Industry and Commerce delegation. U.S. Under Secretary of Commerce Smart as well as some 100 American businessmen attended. Huang Wenjun, counsellor with minister's rank of the Chinese Embassy also attended the reception.

The All-China Federation of Industry and Commerce delegation will also visit New York, Chicago, San Francisco, and other places to meet and discuss business with American industrial and commercial circles. This is the first delegation sent by the All-China Federation of Industry and Commerce to the United States in return for the visit to China by the U.S. Chamber of Commerce last year.

ZHANG JINGFU MEETS WASHINGTON POST GROUP

OW252002 Beijing XINHUA in English 1538 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, and Zhang Jingfu, State Councillor, met with Katharine Graham, chairman of the WASHINGTON POST Corporation of the United States, and her party here today on separate occasions.

FANG YI MEETS WITH AMERICAN PHYSICIST

OW271328 Beijing XINHUA in English 1227 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) -- Chinese State Councillor Fang Yi met noted physicist T.D. Lee, professor at the Department of Phycis of Columbia University U.S.A., and his wife here today.

Professor Lee is here to attend the inauguration ceremony of the center of advanced science and technology at the invitation of the Chinese Academy of Sciences.

WANG SHOUDAO MEETS PHILADELPHIA CENTER GUEST

OW261358 Beijing XINHUA in English 1332 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- Wang Shoudao, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party and president of the China Association for International Friendly Contacts, met and feted T.T. Chang, president of the Chinese Cultural and Community Center of Philadelphia, the United States, here this evening.

Wang praised Chang for his efforts to introduce Chinese traditional culture to the American people and promote cultural contacts between the two peoples.

Chang arrived here September 24 as a guest of the China Association for International Friendly Contacts.

HU QILI MEETS AMERICAN TV ANCHORWOMAN

OW290756 Beijing XINHUA in English 0739 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, praised a U.S. TV anchorwoman today for her efforts to promote cultural exchange and mutual understanding between China and the West.

Hu met with Miss Yue-sai Kan and gave a luncheon in her honor here today, and both her parents were present.

Miss Yue is anchorwoman of a TV programme "Looking East" aired in New York and a series called "One World" shown in China.

She and her parents arrived in Beijing on September 21.

RENMIN RIBAO ON HISTORIC U.S. -TAIWAN CONNECTION

HK300717 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Sep 86 p 2

[Article by Li Tiezheng [2621 6993 6927], member of the CPPCC National Committee and honorary professor of the Foreign Relations Institute: "Thoughts on Reading Deng Ziaoping's Remarks" -- written during the mid-Autumn Festival].

[Text] In a television interview with a U.S. reporter, Chairman Deng Xiaoping referred to the existence of an obstacle to Sino-U.S. relations -- the Taiwan issue. Chairman Deng pointed out a school of thought in the United States which suggests that the United States should not intervene in the problem of reunification of China -- the Taiwan issue. Actually, the United States has traditionally intervened in this matter. He contended that "the United States should assume a more enlightened attitude toward this problem (the handling of relations between the United States and Taiwan)". "It is believed that the United States, and President Reagan in particular, can do something where this matter is concerned."

In the mid-fifties, MaCarthur and Dulles treated Taiwan as "an unsinkable aircraft carrier" in Asia and the Pacific. This is a generally known fact and recorded in diplomatic history. As early as between 1853 and 1854, as U.S. Commodore Perry passed through Taiwan leading a squadron in an attack against Japan, he suggested to the government that it be seized as a U.S. dependent territory. Later, in December 1956 and February 1857 respectively, U.S. commissioner to China Parker made a similar suggestion to the U.S. State Department. In 1858, as the United Army of Britain and France in an invasion against China forced the Qing Government to sign the Tianjin Treaty with southern Taiwan added as a port of trade, the Unted States of course benefited under the principle of "equal sharing of interests." Later, U.S. Consul General in Xiamen (Li Xiande) [2621 0103 1779] taking advantage of a U.S. merchant ship having struck reefs near Taiwan went deep into the midst of Taiwan to make an investigation. He wrote a report urging the U.S. State Department to take action against Taiwan. U.S. Consul General in Hong Kong Allen also said frankly: He wants "our government to gain possession of this big island," From this, it can be seen that U.S. involvement in the Taiwan issue is of long standing.

Before and after the victory in the Anti-Japanese War and especially before and after the founding of the New China, the United States, though occasionally nonplussed, never ceased getting involved with respect to its policy toward Taiwan. Despite the Cairo Declaration in 1843 affirming the return after the war to China of its territories occupied by Japan, including Taiwan and the Penghu Islands, the United States still never gave up its desire to control Taiwan, and concocted an "idea about the status of Taiwan not having been determined." This was taken up in a lengthy article by Zi Zhongjun, a researcher on international problems, frontpaged in the 13 July 1982 issue of RENMIN RIBAO.

The WORLD DAILY, a mouthpiece of Taiwan in the United States (operated by Wang Ti-wu, member of the Central Committee of the Kuomintang in Taipei) also carried a lengthy article on the subject on 7 March, 1979. Its author was Liang Ching-chun. He was described by the editor as a historian living in the United States. [paragraph continues]

In an editor's note, it was pointed out: "After the establishment of relations between the United States and Communist China, based on secret documents declassified by the U.S. National Archives and Records Service, he revealed in detail and commented on the U.S. policy toward China since 1948 (calling for things like the placement of Taiwan under the trusteeship of the United Nations, its occupation by U.S. military troops, letting Sun Li-jen succeed Chiang in taking charge of the government, and so forth)." Mr. Liang worked with me in Lanzhou in the early stage of the Anti-Japanese War. After we left each other, we once met on a trip to the United States. We have not since and is worth being read by readers on both sides of the Taiwan Straits.

It may be recalled that in the first few years of the 1950's, while at Columbia University in New York, I heard and saw U.S. Democrats and Republicans accusing each other in a heated debate about "who lost China?" It was made out as if China had originally been theirs. When I was at Stanford University in California in August 1977, it happened that there was a storm about the issue: "If Taiwan is given up." It can be seen that U.S. public opinion has simply treated Taiwan as something within its reach. How can it be said that there has been no involvement?

In his speech, Chairman Deng said that the United States, especially President Reagan, can do something about the problem of the reunification of China. President Nixon was formerly a friend that Taiwan trusted. But later he came to Beijing to sign the Sino-U.S. Shanghai Communique with Premier Zhou Enlai. On the problem of reunification of China today, President Reagan should be able to do more. If he can do so, he will win the friendship of the people on both sides of the straits and also contribute toward stability in Asia and world peace.

U.S. VIEWS UN LIKE JOINT STOCK COMPANY

HK300035 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 27 Sep 86 p 4

["World Affairs" column by Sai Bei [1049 0554]: "Who Suits Whom?"]

[Text] If a person asks: Is the United Nations a joint-stock company? The answer must be no. However, a senior official of the United States demanded that "the country which offers more contributions to the United Nations should have a greater influence" when he recently talked about the reform of the UN's budget formulation procedures. This would make this international organization something like a joint-stock company, in which those who control the biggest share of stocks can enjoy the largest decision-making power.

The formulation of budgets for the United Nations is not merely a financial issue. It concerns what the United Nations will be able to do and on what issues it will focus its attention. In the course of working out the budget, affairs will be divided into many categories, with some being urgent and some being not so urgent or even being cast aside. That is, the budget is related to the United Nations' political operation. [paragraph continues]

According to normal procedures, the budget should be first drafted by the secretary general, who will then submit the budget draft to the Administrative and Budget Committee of the UN General Assembly for deliberation. Finally, the budget should be submitted to the UN General Assembly for approval.

The normal budget of the United Nations is based on membership dues. A UN committee puts forth a proposal on the specific membership dues each member-country should pay in light of the member-countries' financial abilities, and the proposal is to be approved by the UN General Assembly through majority vote. The United States and some developed countries pay higher membership dues than other countries. For them, this is their duty and is also their honor, because this shows that the level of their economic development is higher than other countries and thus they can make greater contributions to the United Nations.

The United Nations is a democratic organization, which decides things by a simple majority or a two-thirds majority. This is a basic reason why it can exist and play a positive role in international affairs. Now, some 98 percent of the working funds of the United Nations come from a small number of countries. If these countries should have a greater influence in the course of formulating the budget as the American official said, then the United States and the Soviet Union will in fact "have a greater influence" on deciding the United Nations' budget, because the membership dues they pay are greater than those paid by other countries. Thus, the U.S.-Soviet confrontation will inevitably also be reflected in the course of formulating UN's budgets, thus adversely affecting the existence and development of the United Nations.

Since the 1960's, many new independent countries in the Third World have joined the United Nations and they have formed a stable majority in this world organization. Thus, it is more and more difficult to pursue the big power politics. The United States has not adjusted to the changes in this international organization which it made great efforts to help establish, and is often upset when it is situated in a minority position. Such feelings are understandable. However, should the United States adapt itself to the situation in the United Nations, or should the United Nations be adapted to the needs of the United States? It seems that the American official should first solve this issue.

PRC ENVOY HOSTS NATIONAL DAY FETE IN PYONGYANG

OW302005 Beijing XINHUA in English 1735 GMT 30 Sep 86

[Text] Pyongyang, September 30 (XINHUA) -- A banquet was given here this evening by Chinese Ambassador to Korea Zong Kewen to mark the 37th anniversary of the founding of the People's Republic of China.

Vice President of the Democratic People's Republic of Korea Yi Chong-ok, Vice Premier and Foreign Minister Kim Yong-nam and Vice Premier Kim Pok-sin attended the banquet.

The Chinese ambassador in his toast at the banquet expressed the belief that Chinese President Li Xiannian's forthcoming visit to Korea will make new contributions to the strengthening of the friendship between the two parties and two countries.

Kim Pok-sin said at the banquet that the Korean people are happy over the achievements made by the Chinese people and they are looking forward to the visit of President Li Xiannian.

Remarks on Korean Reunification

OW292236 Beijing XINHUA in English 1844 GMT 29 Sep 86

[Text] Pyongyang, September 29 (XINHUA) -- The United States and the South Korean authorities should do something which will contribute to the relaxation of tension on the Korean peninsula and to the peaceful reunification of Korea, said Chinese Ambassador to Korea Zong Kewen today.

He made these remarks here this evening on the occasion of a banquet marking the 37th anniversary of the founding of the People's Republic of China held jointly by the Korean Committee for Foreign Cultural Relations (CFCR) and the Central Committee of the Korea-China Friendship Association.

Chairman of CFCR Yi Mong-ho highly praised the construction achievements made by the Chinese people under the leadership of the Communist Party of China. The big changes in China have proved the correctness of the party's policy, Yi said.

TIAN JIYUN MEETS DPRK BANKING DELEGATION

OW241544 Beijing XINHUA in English 1500 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met with Kim Ung-chol, president of the Trade Bank of the Democratic People's Republic of Korea, and his party here today.

Tian said that Kim's current visit will promote the financial cooperation between the two countries. Kim held that the cooperation between the banks of the two countries will help expand bilateral trade.

The Korean visitors arrived here September 21 as guests of President of the Bank of China Wang Deyan to attend a seminar on international banking business sponsored by the two banks.

DPRK PROVINCIAL DELEGATION ARRIVES IN HEILONGJIANG

SK300254 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Sep 86

[Text] At the invitation of the provincial government, a five-member North Hamgyong Provincial friendship delegation from the DPRK, headed by Kim Pyong-kun, vice chairman of the Administrative and Economic Guidance Committee of the DPRK's North Hamgyong Province, arrived in Harbin by plane on 28 September.

Welcoming the delegation at the airport were Hu Shoulun, vice governor, and Du Xianzhong, secretary general of the provincial government. Wang Yaochen, director of the provincial Foreign Affairs Office, made a special trip to Tumen to welcome the delegation. That evening, Vice Governor He Shoulun held a banquet in honor of Vice Chairman Kim Pyong-kun and other Korean comrades. During its stopover in Harbin, the delegation will participate in the province's National Day celebrations and make some visits.

PRC OLYMPIC COMMITTEE HOSTS SEOUL BANQUET

OW282006 Beijing XINHUA in English 1525 GMT 28 Sep 86

[Text] Seoul, September 28 (XINHUA) -- The Chinese Olympic Committee and the Organizing Committee of the Beijing Asian Games (BAGOC) gave a reception here this evening for the members of the Olympic Council of Asia (OCA), the heads of individual Asian sports organizations and the chiefs de mission from various Asian countries and regions.

In his toast at the reception, He Zhenliang, vice-president of BAGOC, said that the current Asian Games which is almost half way [as received] has brought into full play the sporting talent of Asian athletes and promoted mutual understanding and friendship. He said that the Sixth General Assembly of OCA has come to a successful conclusion. "We would work with all to develop and promote development of sports in Asia and solidarity among Asian athletes," he added.

Zhang Baifa, vice president of the BAGOC and vice mayor of Beijing, on behalf of the 1990 Asiad host, expressed warm welcome to Asian athletes from all over Asia to Beijing. He said that the city was making every preparation to ensure its complete success.

OCA President Shaykh Fahad al-Ahmad al-Sabah said in his speech that China is playing a great role in developing and promoting sports in Asia. He expressed the conviction that the capable Chinese friends would surely make the Beijing Asiad a success.

A video tape of "Scenes in Beijing" was shown at the reception, arousing wide interest among the guests.

STUDY GROUP LEAVES ULAANBAATAR FOR HOME

OW241344 Beijing XINHUA Domestic Service in Chinese 0658 GMT 22 Sep 86

[Text] Ulaanbaatar, 21 Sep (XINHUA) -- A Chinese agricultural and pastoral study group led by Aosier, deputy director of the Nei Monggol Animal Husbandry Bureau, left here for home today.

This was the first agricultural and pastoral study group sent by China to Mongolia in the past 20 years. During their 3-week sojourn in Mongolia, members of the group visited state-run agricultural and pastoral farms; various agricutural and pastoral cooperatives; a research institute; a college for farming and animal husbandry; and some other units to study issues on grazing and fattening animals, fodder storage, milking with mechanical devices, and improvement of management in pastoral production.

ULAANBAATAR FETE CELEBRATES PRC NATIONAL DAY

OW302254 Beijing XINHUA in English 1801 GMT 30 Sep 86

[Text] Ulaanbaatar, September 30 (XINHUA) -- Mongolia held a screening and reception today to celebrate the 37th anniversary of the People's Republic of China. The event, hosted by Mongolian-Chinese Friendship Association and the Union of Mongolian Peace and Friendship Organizations, featured the Mongolian documentary film "Young Mongolia."

Chairman of the Mongolian-Chinese Friendship Association Myagmarjab and Vice Chairman of the Federation of Mongolian Peace and Friendship Organizations Bilegt were on hand. Chinese Ambassador to Mongolia Li Juqing was expected to attend.

JAPANESE GROUPS PROTEST OUTSIDE PRC TOKYO EMBASSY

OW300846 Beijing XINHUA in English 0834 GMT 30 Sep 86

[Text] Tokyo, September 29 (XINHUA) -- Propaganda vans of the Japanese right-wing organizations created disturbances before the Chinese Embassy here today, with loud speakers blaring out anti-China and anti-communist slogans.

A dozen of right-wingers belonging to the right organizations of "Seikijuku," "Kyoajuku," "Dainippon Seiryusha" and "Dainippon Aikokuto" (the Great Japan Patriotic Party) on board nine vans came to the gate of the Chinese Embassy successively this afternoon to make anti-China and anti-communist clamours. At about 5:40 p.m. today, three vans of "Dainippon Seiryusha" stopped in front of the embassy gate and shouted anti-China slogans at Japanese and Overseas Chinese who were coming to attend China's 37th National Day reception given by Ambassador Zhang Shu. The guests were incensed by such disturbances which lasted until 6:30, half an hour after the reception began.

At first Japanese police took no action whatsoever to stop such disturbances. They intervened only after the Chinese Embassy made representations with them on several occasions. The duration of such anti-China activities became longer each time. This is a rare phenomenon in recent years.

JAPAN ECONOMIC, TRADE GROUP CONCLUDES VISIT

OW270166 Tokyo KYODO in English 0108 GMT 27 Sep 86

[Text] Beijing, Sept 26 KYODO -- Acting on complaints from its trading partners, China will announce new incentives for foreign investment in early October, a Japanese business leader said here Friday night.

Ryoichi Kawai, chairman of the Japan-China Association on Economy and Trade and leader of a 42-member economic mission, told a news conference that senior State Councillor Gu Mu detailed the new foreign investment program in talks with his delegation Wednesday.

Gu told the Japanese businessmen that China is prepared to offer tax, land and wage incentives to foreign companies which hold high tech expertise, contribute to an increase in China's foreign currency reserves and have plans to reinvest in China.

Kawai, chairman of Komatsu Ltd., a major Japanese construction machinery maker, said his trade association will study strategy for future Japanese investment in China after the Beijing Government unveils the new investment plan.

Zhang Jingfu Meets Group

OW252012 Beijing XINHUA in English 1613 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, and Zhang Jingfu, state councillor, met with a Japanese delegation from the Japan-China Association on Economy and Trade on separate occasions here today.

The two Chinese officials exchanged views on developing trade and economic cooperation between the two countries with the delegation led by Eshiro Saito as its senior advisor and Ryoichi Kawai as its leader.

Bo said that China hoped the Japanese delegation could solve problems in a number of cooperation projects during its visit to China. Cooperation between the two countries is not always for big projects, he noted. "But small ones can be snowballed into big ones."

With a large market, Bo said, China wishes the Japanese side to conduct cooperation with China on the basis of equality and mutual benefit.

Zhang Jingfu said that China now has several hundred thousand enterprises, among which more than 3,000 have been listed as old ones needing to be technically upgraded. China is now developing its traditional and basic industries, he said.

He expressed his hope that the Japanese side would take a positive attitude to strengthen cooperation with China in the fields of energy, transport and raw materials by way of combination of technical transfer and trade.

This evening, Bo gave a dinner in honor of the delegation.

'TEXT' OF COMMUNIQUE ON JARUZELSKI PRC VISIT

OW300944 Beijing XINHUA Domestic Service in Chinese 0718 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- A press communique was issued in Beijing today on Polish leader Jaruzelski's visit to China. Full text of the press communique follows:

Press Communique

At the invitation of the Chinese Government, Wojciech Jaruzelski, first secretary of the Polish United Workers Party Central Committee and chairman of the State Council of the Polish People's Republic, paid a working visit to China 28-30 September 1986.

During the visit, Jaruzelski had meetings with Hu Yaobang, General Secretary of the CPC Central Committee; Deng Xiaoping, chairman of the Advisory Commission of the CPC Central Committee; Li Xiannian, president of the PRC; and Zhao Ziyang, premier of the State Council. The meetings proceeded in an atmosphere of sincerity, mutual respect, and mutual understanding.

Chinese and Polish leaders are satisfied with the friendly relations and cooperation, which are based on mutual respect, equality, and mutual benefit, between the two countries and two peoples, particularly the smooth progress in their relations in recent years. They spoke highly of the two countries' political dialogue, agreeing that such dialogue should continue.

The two sides attach great importance to the ties established between the National People's Congress of the PRC and the National Assembly of the Polish People's Republic, and held that relations between the two countries' social and political organizations, especially the Chinese People's Political Consultative Conference and the Polish Patriotic Movement for National Rebirth, as well as between the trade union, friendship associations, and women's and youth organizations of the two countries, should be strengthened so as to help enhance the traditional friendship and mutual understanding between their peoples.

The two sides expressed satisfaction with the rapid growth in the bilateral economic, trade, scientific, and technological relations, and noted the contributions made by the Chinese-Polish Government Committee for Economic, Trade, Scientific, and Technological Cooperation toward promoting such cooperation and mapping out plans for future cooperation. They stressed the necessity of developing new and more effective ways of cooperation, including cooperation in production and joint ventures.

The two sides decided to strengthen their countries' contacts in the fields of culture, art, science, education, public health, and sports and between press institutions, and expand the content of cooperation in these fields. They stressed the good prospects for expanding cooperation in various fields.

During Comrade W. Jaruzelski's visit, the two sides signed an agreement on cooperation in culture and science. Jaruzelski and Zhao Ziyang were present at the signing ceremony.

Chinese and Polish leaders exchanged views on a wide range of international issues, deeming it most urgent for all of the countries to stop the arms race and maintain world peace. They also believed that all the countries, despite their unequal size and strength, could and should contribute to world peace.

Both sides said that international relations should be based on the principles of peaceful coexistence, not on use of arms nor threat of force. Conflicts and tensions in various regions should be settled as far as possible through political means, they added. They expressed their appreciation of and support for the role of the Nonaligned Movement in striving to eliminate the danger of war, build up a new international economic order, and find a fair solution to debt problems. They also spoke highly of the achievements in the recent Harare summit of nonaligned countries.

The Chinese and Polish leaders also briefed each other on the social and economic situations in their own countries, and had in-depth exchanges of experience in socialist construction, expecially in economic restructuring. The Chinese side highly praised achievements made by the Polish people in recent years in overcoming difficulties, stabilizing the social and political situation, restoring and developing the national economy, and carrying out economic reform. The Polish side paid high tribute to the Chinese people's achievements in socialist construction, and praised their successes in the implementation of the modernization program and development plan. On the eve of the 37th founding anniversary, Comrade Jaruzelski expressed his sincere wishes to the Chinese supreme leaders, communists, and people for further successes in China's socialist construction.

W. Jaurzelski invited Hu Yaobang, Zhao Ziyang, and Li Xiannian to visit Poland. The invitations have been accepted with pleasure. The Chinese leaders invited Jaruzelski to China again for an official visit at his convenience. Zhao Ziyang asked him to convey his invitation to Messner, chairman of the Polish Council of Ministers, to visit China. These invitations have also been accepted with pleasure.

The Polish side expressed its appreciation and gratitude to the Chinese leaders and people for their warm hospitality.

GDR GATHERING CELEBRATES PRC NATIONAL DAY

OW260430 Beijing XINHUA in English 0143 GMT 26 Sep 86

[Text] Berlin, September 25 (XINHUA) -- The leader of Democratic Germany Erich Honecker's forthcoming state visit to China will give fresh and major impetus to the development of the friendly cooperation between the two countries in all fields, said Gerald Goetting, vice chairman of the State Council of Democratic Germany at a gathering today.

The visit shows the growth of friendly relations between the two countries, added Goetting, who is also president of the League for Friendship Among the Peoples.

The gathering was sponsored by the German-China friendship society to celebrate the 37th anniversary of the founding of the People's Republic of China.

Chinese Ambassadro to Democratic Germany Ma Xusheng also addressed the meeting. He spoke highly of the development of the relations between the two countries in recent years. China is looking forward to Honecker's visit and will give him warm welcome, the ambassador said.

Hermann Axen, member of the Political Bureau and secretary of the Secretariat of the Central Committee of the German Socialist Unity Party, Hebert Krolikowski, first deputy minister of foreign affairs and more than 200 people attended the gathering.

PLENUM RESOLUTION OFFERS 'FOOD FOR THOUGHT'

HK010147 Beijing CHINA DAILY in English 1 Oct 86 p 4

["Opinion" column by CHINA DAILY commentator: "Call to the People"]

[Text] Although another National Day has rolled round, there is a difference. Not only are people celebrating this festive occasion, there is also food for thought in the message from the Party plenum that concluded on the eve of this holiday.

The Chinese Communist Party's Central Committee has adopted two resolutions, one on convening the Party's 13th National Congress next October, the other on the guiding principles for building socialist China's advanced culture and ideology.

For Chinese society, these guidelines are essentially a call to China's one billion people to hold on to the firm ideals, high morality, good education and self-discipline.

The Party urges them to work together to enhance their civilization and democracy. Initiatives for seeking happiness through honest labour and benefiting national unity and social progress, it emphasizes, all deserve respect, protection and encouragement.

It insists that relations between all citizens, including between officials and the masses should be equal. It expects them to be characterized by a feeling of unity, fraternity and mutual help.

While reiterating that some members of society may raise their living standards more rapidly than others, it denounces corruption in all forms. What the Party advocates is for the people to be conscious of what all society needs most, honesty in business dealings, and consideration for those needing a helping hand.

Education in professional ethics and the promotion of humanist concerns are deemed necessary. And the new resolution also expresses the determination to wage a more energetic battle against the influence of the feudalism of old and the 100-year-long colonial experience.

Open Policy [subhead]

Another notable aspect is the endorsement of the open policy. An indispensable part of the nation's ongoing reform, it is believed to be good not only for the economy but also for a flourishing culture. A most heartening point is the conviction that China's successful development and progress will also contribute to world peace and the progress of mankind.

Although it is not easy to accomplish all this in a short period (certainly not through mere talk), it surely will be worth the effort. The nation's prosperity would be shaky indeed were it based solely on material power, and far from possible unless it is supported by a shared ideal, a fully-developed culture, and a value system consistent with the goal of the modernization effort.

The Party has shown insight into this truth by formulating these guidelines. It is time everyone started working in the direction it has pointed out. [paragraph continues]

In this sense, it is no exaggeration to regard the adoption of these resolutions as of great importance as the Party decision made two years ago, to launch full-scale economic reform.

TA KUNG PAO DISCUSSES CADRE REFORM RULES

HK301409 Hong Kong TA KUNG PAO in Chinese 30 Sep 86 p 1

[Special dispatch from Beijing: "Regulations Governing the Overall Reform of the Cadres System Formulated With Opinions Solicited"]

[Text] Beijing, 29 Sep 86 -- To allow the mutual stimulation of the political reform and the economic reform and their proceeding in combination, carry out an overall systematic reform of the cadre system, and step up the pace of putting personnel management on an institutionalized and scientific basis, the organization Department of the CPC Central Committee and the Ministry of Labor and Personnel jointly formulated the "Regulations Governing Working Personnel of State Organs." At present, these "Regulations" are being referred to organs directly under the CPC Central Committee, central ministries and commissions, and various provincial organizations and personnel departments throughout the country for the purpose of soliciting their views. After being modified, these regulations, examined and approved by the central authorities, will be promulgated.

It was learned that these "regulations" comprising 12 sections call for an overall reform of existing state organ cadre management system and especially for a major reform in several important fields, such as cadre assessment, promotion or demotion, hiring or firing, resignation, and so forth. The aim is to remove such defects in organs as "duties being ill defined, lack of a sense of responsibility, and low work efficiency," a person's good or bad performance, with more or less work done, making no difference, there being no distinction between right and wrong and no clearcut criteria for merits or demerits," and so forth.

PLA INSTITUTE TRAINS MULTIPURPOSE OFFICERS

OW301347 Beijing XINHUA Domestic Service in Chinese 0846 GMT 29 Sep 86

[By reporters Yang Minqing, Wang An]

[Text] Beijing, 29 Sep 86 (XINHUA) -- Students enrolled in the Armored Force Engineering Institute this year will receive both technical and command training. They will therefore become the first generation of multipurpose personnel in the Armored Force who not only have engineering knowledge but also basic command skills.

To simultaneously carry out technical and command training is one of the important parts of educational reform in the institute. This experiment is also being conducted in the Air Force Communication Engineering Institute.

The purpose of promoting this reform is to change the past situation in which teaching materials were too specialized, trainee learning structure was too single-minded, and technical cadres know nothing about command and vice versa. During the next four years, the new students will undergo dual training and become armored force squad commanders as well as technical engineers. Therefore, they will become the first generation of basic commanders with training in tank technology and management.

In order to do well in the reform, the Armored Force Engineering Institute has conducted several studies on the necessity and feasibility of training multipurpose personnel and on the systematic organization of teaching progams; the General Staff Headquarters, the General Political Department, and the General Logistics Department has also jointly organized specialists to examine and revise the educational reform plan.

Relevant comrades in the General Staff Headquarters have said: To train multipurpose personnel is the direction for the development of educatonal reform. The Armored Force Engineering Institute is one of the pilot units for the educational reform among military academies and colleges, and this experiment is being conducted in accordance with the decision of the Central Military Commission. The purpose of running multipurpose academies and of offering multitraining to military, political, and logistics command officers and to command, administrative, and technical officers is to enhance the officer's ability to meet the needs of national defense modernization and of interchanging posts.

VETERANS COMMEMORATE LONG MARCH WITH MEMOIRS

OW301723 Beijing XINHUA in English 1659 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Long March veterans are compiling their memories to mark the 50th anniversary of the historic event next month.

In October 1934, the Chinese Workers' and Peasants' Red Army -- the predecessor of the Chinese People's Liberation Army -- began the two-year, 15,000 kilometer-march acorss 11 provinces to northern Shaanxi, after failing to defeat the fifth encirclement by the Kuomintang troops against the central revolutionary base area in Jiangxi Province.

The Beijing military area command has 367 "Long March" survivors, of whom 48 were commanding officers at or above the regimental level.

Over the past three years, 300 veterans have completed their memoirs. "These are valuable materials to the study of the Long March, which saved the Chinese Communist Party and its army from being defeated," an officer from command headquarters said.

Zhao Rong, 84, former deputy director of the military area command's Logistics Department, finished his text "Zhao Rong's Diary on the Long March," which will be published soon by a Guangdong Publishing House.

"I'm elderly so I'm taking advantage of every minute to write down what I remember about the Long March," Zhao said.

Xu Shenji, a former deputy commander, wrote an article recalling how the Red Army division he commanded traversed uninhabited marshlands three times.

Xiao Feng, former deputy commander of the armored forces of the military area command, was the party secretary of a Red Army regiment during the Long March.

His book "My Decade-Long Battle Experience" tells of how Mao Zedong, Zhu De and Zhou Enlai led the Red Army to complete the Long March by frustrating the attempts by traitors to split the party and army.

Xiao has talked with 200 visitors from 11 provinces and autonomous regions and received over 100 letters from readers since his book was published, according to the officer.

After reading the book, a Japanese writer who is writing a book entitled "The Long March" wrote to Xiao for permission to use his book as a reference to supplement and correct his book, the officer said.

YANGTZE REGION TO RECEIVE OPTICAL FIBER LINE

OW301950 Beijing XINHUA in English 1521 GMT 30 Sep

[Text] Beijing, September 30 (XINHUA) -- Construction of a 2,400-km optical fiber communication line along the Yangtze, China's longest river will begin soon, a government offical announced here today.

According to the Ministry of Posts and Telecommunications, the line is part of a five-year project to build long-range, high capacity optical fiber networks across the country to relieve strain on existing telecommunication circuits.

Crossing 16 cities and prefectures, the 2,400-km line will extend fron Nanjing, the capital of Jiangsu Province in east China, to Chongqing in southwest China's Sichuan Province, via Wuhan, the capital of Hubei Province.

The official said the project will provide these areas with 5,000 to 10,000 long-distance telephone lines when it becomes operational in 1990.

The line will also have telegraph, data transmission, and T.V. broadcast capability.

He said the project will be designed by Chinese engineers, utilizing technology and equipment imported from the Nippon Electric Company and the Philips Company.

There are now only 488 long-distance telephone lines in the Yangtze River region, and service is often hampered by storms and heavy snow.

Following the completion of this project, China will build several more optical fiber communication networks in other regions. Optical fiber and optical cable communications will be widely introduced between city telephone offices.

China began research on optical communications as early as 1964, and developed atmospheric free space laser communication in the early 1970s, research on optical fiber communications were launched.

In the past few years, China has built more than 50 medium- and short-range optical fiber communication lines in Beijing, Fuzhou, Guangzhou, Shanghai, and Xiamen.

WEN YI BAO REPORT ON LITERATURE SYMPOSIUM

HK291033 Beijing WENYI BAO in Chinese 20 Sep 86 p 1

[Report by reporter Ying Xiongling (2019 7160 7117): "Literature in the New Period: From Renaissance to Prosperity"]

[Text] The "Symposium on Literature of the 10 Years in the New Period," which was sponsored by the Institute of Literature of the Academy of Social Sciences of China, closed on 12 September after a 6-day session. The participants at the symposium unanimously held that the literature in the new period, which began at the time the "gang of Four" was smashed, has undergone a process from recovery to prosperity in the past 10 years. In these 10 years major reform emerged and the old was weeded through to bring forth the new. This has become a magnificent and immortal period in our history and will certainly have far-reaching impact on our socialist literature in the future.

A Decade of Literature of Description From Diverse Angles [subhead]

The participants at the symposium had identical views on an overall evaluation of the literature in the new period, but they differed in their views on the characteristics of the literature as a whole in the period. Most of the comrades thought that the 10 years were a magnificent decade for literature and a decade with outstanding achievements. Others pointed out that the decade in the new period cannot be regarded as the most magnificent decade for our new literature, but it was a decade of vital importance and a decade since the "4 May" Movement when there was relaxation once more. It will have tremendous impact on the next 10 years. Still others, who constituted an even larger portion of the participants, emphatically pointed out that what each participant talked about was his personal view on the literature of the new period and that it was impossible and also unnecessary to seek unity of views on this issue. However, one must have a profound sense of history and a serious and scientific attitude to seek truth from facts in evaluating the new period. Otherwise, our overall evaluation of the literature in the new period would be superficial.

An overall evaluation on the literature of the 10 years in the new period should be based on a criticism on the practice of creative and theoretical literature work in the 10 years. The participants delivered to the symposium over 70 academic theses, which discussed the development of literature in the 10 years from diverse angles centered on the reform and trend of literature concepts. They pointed out that through 10 years of efforts, there has been a trend of change in literary themes from "creating divine images" to "writing about man" and from being strictly limited to a certain scope to freedom of choice. In their practice of writing, the vast number of writers have begun to consciously pursue a recovery and deepening of realism and rich artisitic diversification. A large number of writers who have a rich sense of social responsibility and spirit of exploration has mushroomed. A large number of literary works with fairly high achievements both in ideological contents and artistic forms has emerged. With their profound strength of realism and untiring artisitc exploration, these works have won the appreciation of many readers and provided food for the construction of our socialist spiritual civilization. As our literature creative work continues to prosper, theoretical criticism has also become increasingly brisk and a large number of new theoretical topics have been raised. [paragraph continues]

In that symposium alone, participants raised topics such as culture and literature, the enlightening that one can get from the current development of writing and criticism, conscious resumption of criticism, patterns of theory, literature language, and tragedy and comedy in socialist literature which are of great explorative significance and which have roused the interest of most of the participants. At a time when the contingent of literature critics is continuously growing today, the younger generation of the workers of literature criticism have not forgotten the merits achieved by their predecessors in opening the path for the literature of the new period. As the old, middle-aged, and young generations of critics have forged ahead shoulder to shoulder, an atmosphere of harmonized discussion, dialogue, and debate is taking shape normally and healthily day by day.

Culture Minister Wang Meng, who attended the symposium as a writer, expounded in particular in his speech on the phenomenon that has emerged in our theoretical circles of describing and summing up the literature of the 10 years from diverse angles. He said: "The fact that we can sum up from diverse angles is a heartening phenomenon. It shows that the literature of the new period is as integrated and rich as the life then. It is a work full of pleasure to understand the situation of the literature work in the 10 years through a summing up from diverse angles."

"Humanism" Has Become a Topic of Concern [subhead]

On 7 September, Liu Zaifu, director of the Institute of Literature of the Academy of Social Sciences of China, raised in his long speech entitled the "Modern Stream of the Literature of the New Period" the issues of the restoration and deepening of the essence of humanism in the new period and of the lack of common sense of repentance and self-examination to repent together with our nation in the literature in this period. This has roused great interest among the old, middle-aged, and younger generations of critics and was a topic of much concern at the symposium.

Some comrades held that the main stream of the literature in the new period is humanism. Appealing to human nature, human feelings and humanitarianism, and man's dignity and value is a basic line for the literature of the new period. Others disagreed with this view and held that the main stream of the literature of the new period is realism. Still others held that the most important characteristic of the literature of the new period is that no writer, sect, or style has become dominant; therefore, there is no main stream.

Concerning the issue of humanism, some comrades pointed out that summing up the internal spirit of the literature of the new period with humanism is not only commendable but is also of practical significance. As long as there is remnant feudal ideology, humanism will remain a progressive weapon against feudal ideology. At present, we are faced with the task of deepening humanism in order to make it cover history and respect for the individual. Others held that the main stream of the literature in the new period cannot be summed up by humanism. Explaining our literature creation only by humanism reveals a certain lack of thought in our theoretical circles. Today, our explanation of humanism has not gone beyond the scope of freedom, equality, or universal fraternity and thus fails to show the characteristics of our time or to display modern ideology.

Concerning self-examination and sense of repentance, there were also differences of views and debates among the participants at the symposium. Some participants held that the sense of repentance and self-examination in the literature of the new period have a meaning special for our times and is the development of the principal ideology. Others had reservations concerning the sense of repentance and self-examination. [paragraph continues]

They stressed that realization of the idea of humanism should finally rely on social reform. Therefore, while appealing to humanism, the literature of the new period should also appeal to the sense of reform.

Gain Enlightenment From History [subhead]

Tang Dacheng, secretary of the party organization of the Writers Association of China and permanent secretary of the association's secretariat, said in his opening speech to the symposium: "How to sum up from diverse angles the artistic experience we have already gained, probe the reasons and law behind the experience, and thus continue to push forward our literature and it to achieve even greater development is a major issue facing us."

Many comrades pointed out: In order to create a situation of literature creative work with real diversified prosperity and rich personality, we must earnestly be on our guard against the practice of blindly "copying" other people's examples in our work of writing. The practices of focusing our writing on a so-called "major topic" and "major theme", paying attention to a certain view on writing, carrying out creative work with the same artistic method, and thus lacking independent thinking in writing are detrimental to the healthy development of our socialist literature and to the full development of the personality of our writers. Therefore, it would also be impossible for them to produce good works that have pithy views on life.

In the sphere of theory and criticism, although the issues of methodology and concept have aroused close attention in our theoretical circles, the participants emphatically pointed out that while upgrading our criticism, we must also pay attention to making our criticism practical. In our macroscopic research, we should also pay attention to the principle of having our theory on practical proofs, while in our microscopic research, we should attach importance to the research into variables.

About 300 representatives from 24 provinces, municipalities, and autonomous regions attended the symposium. Attending its opening and closing ceremonies were Qian Zhongshu, Zhang Guangnian, Chen Huangmei, Feng Mu, Zhong Dianfei, Li Zehou, Xu Juemin, Tang Dacheng, Zhu Zai, Liu Xinwu, and other responsible persons of the literature and art bodies in the capital and well-known scholars and writers. Fine theses of the symposium will be published in collections by the publishing company of the China Federation of Literature and Art Circles.

RENMIN RIBAO ANALYZES 'REPENTANCE' IN LITERATURE

HK290325 Beijing RENMIN RIBAO in Chinese 22 Sep 86 p 7

[Article by Wang Jiren (3769 3764 0086): "Literature Is Not Merely Repentance"]

[Text] Cormade Liu Zaifu holds that in the new period literature has undergone a process from political to cultural self-examination, namely, a reflection of the psychological structure of group culture [quan ti wen hua 5028 7555 2429 0553], but it still lacks the mentalities of jointly repenting with the nation and of self-examination. In his view, literature in the new period should strengthen the repentant and self-examination mentalities of the subject of its creation and jointly repent and share worries with the nation, thus opening up a path of self-respect and self-improvement.

These mentalities are both sincere and profound. However, the topic of "repentance" may extend to a series of issues in social historical science, national psychology, cultural science, literary aesthetics, and even religion and anthropology. Judging from our national mentality, can the numerous disasters and calamities in Chinese history be chiefly attributed to a lack of the spirit of self-reproach and self-examination of spirit of repentance in our nation? When ordinary Chinese, including writers, were deprived of their civil rights and were pushed to a veritable hell on earth, what responsibilities should they assume for their sufferings? When we admit with a breath of vision that we are beset by all evils, do we intentionally absolve national sinners from guilt and leave a spiritual escape way for those who should have assumed genuine responsibility but who do not show repentance? Moreover, if we always burden ourselves with a sense of guilt and a repentant mentality, can we cooly and soberly examine history and give it a profound manifestation in art and, at the same time, emancipate ourselves spiritually and boost the national spirit? As far as literature is concerned, the question of whether or not the repentant mentality is a necessary condition for the rise in literary value likewise deserves further study.

The repentant mentality is essentially a religious one, which is aimed at cleansing people's souls. In the West, the repentant mentality directly originates from the theory of original sin. The spread of this religious mentality of repentance to literature brought forth confessions by Augustine and Rousseau, as well as narrative works by Tolstoy and Dostoyevski. We all recognize that the works of Tolstoy and Dostoyevski are art treasures with a high cognitive and aesthetic value. However, we should also note that it was precisely such true religious feelings of repentance that brought about various morbid mentalities and such philosophies of life as nonviolent resistance to evil and moral self-accomplishment. This has left an escape way not only for the spirit but also for the Russian autocracy. For this reason, when criticizing Tolstoyism, Lenin called it a reaction in the most profound sense.

Since the Qin Dynasty, China has advocated practicing the rational spirit. Compared with the West, our religious consciousness is relatively weak. Therefore, in the historical sediment of China's cultural mentality, we have little or no spirit of repentance in a religious sense. It is also a matter of course that our literary works also lack the repentant mentality. We may as well admit that the lack of a chromosome of repentant mentality in China's traditional culture gene has resulted in the Chinese being forgetful and poor at drawing lessons. In my view, however, the fundamental reason lies in the social history itself. China's feudal society is a super-stable controlling system. The peasant revolutions have only touched on its epidermis without destroying its basic organizational structure and functions. Therefore, they have only resulted in fatalistic transmigration again and again. When writers castigate the so-called deep-rooted bad habits of our nationals, they will not be able to do so profoundly and thoroughly if, in seeking the root cause and conducting historical self-examination, they only look for it in their innermost being or gravely censure themselves but pay no attention to revealing the social and historical causes.

In this connection, Mr Lu Xun has given us value enlightment. On the one hand, he spared no effort in searching for the root cause of the spiritual ills of the Chinese or in constantly dissecting himself idealogically; on the other hand, he never relaxed his criticism of the nature of the feudal history of the past several thousand years. As for the spirit of tragedy in literature, I do not think it depends on the repentant mentality. Qu Yuan's long poem "Li Sao" is full of sorrow. But this is not because the poet showed repentance. On the contrary, he thought aloud: "I will never repent even if I should die a thousand deaths." What moves us is precisely the lofty spirit of never repenting until death in seeking truth and saving the nation, as well as the tragic image of the emotional hero. [paragraph continues]

The modern deification movement actually instilled a repentant mentality in the hearts of Chinese. We not only deified a person and idolized him but also went in for a religious type of repentant ceremony afterward. While being interrogated with torture, the "ghosts and monsters" also conducted spiritual self-interrogations. Finally, people in general were so accustomed to this endless repentance that they constantly made revolution in the depth of their souls. Theoretically, this kind of repentance was somewhat similar to the theory of the original sin. For example, a person's poor family background could also be regarded as an original sin in modern times. This has been superbly delinated in "Soul and Flesh," a novel by Zhang Xianliang. If the "Soul and Flesh" has adopted an attitude of negating this repentance, the "Greening Trees" has used another method to confirm it. This shows that our writers have restored their repentant mentality at a higher level and that, despite some affected and undue parts, the works indeed show profoundness and originality. "When the Glow of Sunset Disappears" also reflects the writer's mentalities of jointly repenting with the nation and of self-examination. However, his sympathy for Nanshan's conversion to a religion and yearning for paradise has made this repentance lose its correct direction. We can thus see that what we repent of and in what direction we show repentance have a bearing on the nature and effect of this repentance.

In short, I do not indiscriminately oppose assigning repentance as a subject for literature. I only think that it is necessary to further define the connotation and nature of the repentant mentality and that it is inadvisable to excessively exaggerate its role. If it is necessary for literary self-examination today to strengthen its self-examination and repentant mentality, it should neither move toward the inner world nor try to escape reality. Still less should it be conducted in a religious or cultural revolution style. What we need is rebellious and critical "repentance" in a modern sense and, moreover, we should not be satisfied at merely showing "repentance." "Repentance" can also be used as a theme in literary creation but we also need various other themes. Only by having diversified themes can literature in the new period carry out historical self-examination and introspection and provide the readers with a rich variety of intellectual associations and aesthetic pleasures.

LIAOWANG CRITIQUES NEW-PERIOD LITERATURE

HK261540 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 p 31

[Article by Xu Juemin [6079 6030 3046], adviser and researcher to the Literature Research Institute of the Chinese Academy of Social Sciences: "The 10 Years of Chinese New-Period Literature"]

[Text] Abstract: Literary circles nowadays and literary circles in the past are like two different worlds. Literature has returned to the people and is reforming itself. The past 10 years have been a period in which major changes have taken place in Chinese literature. This has particularly manifested itself in the change in the concept of literary value and the change in aesthetic standards. This academic symposium will explore from different angles the development of Chinese literature over the past 10 years, with a view to further introducing Chinese literature to the world. [end abstract]

An "Academic Symposium on the 10 Years of Chinese New-Period Literature" was recently held in Beijing.

In comparison with each other, literary circles nowadays and literary circles in the past are like two different worlds. One is a dull, abnormal, miserable, and desolate world and the other is a diversified, prosperous, hopeful, and vigorous world. All socialist literary enthusiasts are happy about the brilliant achievements in literary circles over the past 10 years. [paragraph continues]

Today, old and young academics and critics gather together, sum up the development of new-period literature over the last 10 years, analyze its good points and shortcomings, and study it prospects and the laws governing its development. This is of great significance. We are convinced that this symposium will produce a positive impact on and give a scientific impetus to the growth of new-period literature.

Due to China's specific conditions, Chiness new-period literature is closely related with the destiny of the country. China's social reform has paved the way for the development of new-period literature, which, in turn, is creating a suitable cultural atmosphere and intellectual environment for social reform. Our literature suffered a destructive calamity while the "gang of four" was riding roughshod over the country. After the "gang of four" was smashed, literature began to undergo a process of initial recovery, but with very difficult steps. At that time, political life in the country was still abnormal, the party's basic line still remained unchanged, "taking class struggle as the key link" still remained the basic principle for administering the country, writers who were branded as "rightists" were not rehabilitated, there was still a feeling of chill in society, and producers of spiritual products still had a lingering fear. Under such circumstances, by the end of 1978 our party convened the 3d Plenary Session of the 11th CPC Central Committee, which is of great historic significance. This was a great epoch-marking historical change in China's modern history. The Third Plenary Session fundamentally negated the political line of "taking class struggle as the key link," thereby shifting China's social life from 20 odd years of setback to socialist modernization. This historical change began to provide fundamental conditions for the development of new-period literature. Since then, the productive forces of art have been emancipated on an unparalleled scale and writers have enjoyed the greatest mental freedom ever witnessed since the founding of the PRC. With a full sense of responsibility, they have enthusiastically engaged in creative work. This has enabled new-period literature to grow vigorously. [passage omitted]

The major change in Chinese literature over the past 10 years has drawn the attention of more and more foreigners. Many foreign friends who are concerned about Chinese literature or carry out research into Chinese literature are now more eager to know about China and its literature, and its new-period literature in particular. This calls on modern literary researchers and critics to fulfill the urgent task of how to correctly understand the position of Chinese literature in world literature as a whole and of how to enable foreigners to have a more correct and profound understanding of Chinese literature. We hope that through discussions at this academic symposium, we will be able to develop our research achievements and introduce these achievements abroad so as to enable more foreigners to have a good understanding of China and its literature and to spread Chinese literature throughout the world.

CHEN CANYUN PRAISES FREEDOM OF CREATION

HK261226 Beijing ZHONGGUO FAZHI BAO in Chinese 18 Sep 86 p 4

[Article by Chen Canyun [7115 2995 0061]: "Freedom of Creation Must Be Safeguarded by Law"]

[Text] In his "congratulatory speech" to the Fourth Members' Congress of the Chinese Writers' Association delivered on behalf of the CPC Central Committee Secretariat on 29 December 1984, Comrade Hu Qili said: "Writers must use their own brains to think, and they should have full freedom in selecting their subject matter, themes, and artistic ways of expression. Only in this way can they write works with artistic appeal and educational impact. Lenin once said that socialist literature is literature with true freedom."

The "congratulatory speech" is like a spring breeze that warms the hearts of writers and intellectuals. Representatives to the congress as well as those who did not attend it, writers, scientists, intellectuals in various fields, and the masses of the people are all visibly pleased, and they warmly welcome this enlightened policy for literature and art.

Literature and art are not isolated undertakings, nor is the policy for literature and art isolated. Likewise, freedom of creation is not a kind of isolated freedom. It is a reflection of political enlightenment and policy enlightenment in our country. This is precisely why the moment freedom of creation was put forward in the "congratulatory speech" it was extensively welcomed by the broad masses of intellectuals and the people.

The call of freedom of creation has enhanced the writers' vigor, aroused their enthusiasm for creation, and made socialist literature and art flourish. It has brought about an animated golden age in literary creation. The so-called golden age is a long historical period, and we cannot expect all flowers in the literary garden to be in full bloom in 1 or 2 years. Nor should we demand that all flowers be dazzlingly beautiful and without flaws. Because of their differences in age, experiences in life, ideological levels, artistic levels, and the sense of the times, the writers' works will also have different characteristics and colors. It is natural that there are unhealthy matters and even mistakes in their works. However, such unhealthy matters or mistakes cannot be attributed to the freedom of creation, and they will not affect the prospects of the golden age.

In the new situation, not everyone is full of spirit, and not everyone is advancing with giant strides. Some people are accustomed to adhering to old ways. Their heads are stuffed with old conventions, and they do not listen to fresh new voices. some worry that the freedom of creation will lead to chaotic "liberalization." Others are accustomed to using the cudgel and are not good at having dialogues with writers with an attitude of equality and friendliness. What they say or what they think can be boiled down to fear that the freedom of creation will lead to deviation from the right course.

Why is it that the moment freedom is mentioned some people link it with "liberalization"? Should not our people and our socialist country have freedom? Lenin said that socialist literature is literature with true freedom. Is what Lenin said not in keeping with the times or incompatible with China's conditions? No. Like other basic Marxist principles, what Lenin said will lead the people onward.

As a matter of fact, China's Constitution has clearly stipulated that Chinese citizens enjoy freedom of speech, of press, and of creation. Article 47 of the "Constitution of the People's Republic of China" states that "citizens of the People's Republic of China have the freedom to engage in scientific research, literary and artistic creation and other cultural pursuits. The state encourages and assists creative endeavors conducive to the interests of the people that are made by citizens engaged in education, science, technology, literature, art, and other cultural work." In addition to ensuring the freedom of creation, the state should encourage and assist creative endeavors. In the spirit of the Constitution, Comrade Hu Qili's "congratulatory speech" explicitly points out that writers should have "full freedom in selecting their subject matter, themes, and artistic ways of expression." It calls on writers to make use of this freedom correctly and "give play to their creative ability to serve the people and socialism."

The Constitution clearly stipulates that writers enjoy freedom of creation, and the "congratulatory speech" calls on writers to make use of this kind of freedom. [paragraph continues]

At present a responsible comrade of the CPC Central Committee's Propaganda Department has also put forward that it is necessary to create a flexible and harmonious environment, and the purpose is also to promote creation and to implement actively the double hundred policy so that literature and art will be in line with China's open policy and will make new contributions to promoting the modernization program, social transformation, and spiritual civilization.

However, we should not be content with good wishes. Nor should we determine the fate of a certain book according to the views of one or two leaders. Our country is a big country with 1 billion people, and there are numerous leaders at a higher or lower level. Their understanding of the ideological contents reflected in a book and the book's social effect will not be exactly the same, and it is not advisable to hastily finalize the nature of the book. As we all know, in the past 30 years or so there has been a tradition of "preferring being left to being right" and the tradition of wielding a club in handling problems in literature and art. There are also warriors who have regarded themselves as "transformers" and who are accustomed to intimidating and persecuting others. Of course, enlightened leaders are very valuable. They have concerned themselves with literature and art and are bosom friends of literature and art circles. They should be respected by the people. However, the enlightenment of the leaders alone will not easily change the force of habit. This means that we cannot depend on rule by individuals, but on rule by law, the guarantee provided by the democratic system, and correct policies.

The freedom of creation and the smooth implementation of the double hundred policy in literature and art can be guaranteed only with rule by law and with political democracy. Therefore, concrete laws in explicit legal terms governing literature and art should be included in articles related to literature and art in the Constitution so that people may follow them. If there are proper limits for blossoming and contention, crude criticism and the practice of putting labels on others at random will certainly disappear gradually.

The policy for literature and art is not isolated. It has always attracted the attention of society. I hope comrades in legal circles will show their concern for and give their support to work in this respect and jointly formulate a law for literature and art so that literature and art will be ruled by law.

20 July 1986 in Guangzhou

MEDIA REFORM PROVOKES 'LIVELY PUBLIC DEBATE'

HK290055 Beijing CHINA DAILY in English 29 Sep 86 p 4

["Opinion" column by Xiang Pu: "Media Reform Stirs Lively Public Debate"]

[Text] Media reform has become a subject of heated debate in the press since Teng Teng, Deputy Director of the Chinese Communist Party's Propaganda Department, said at a meeting in August that it should be up to the newspaper editor to decide what to publish.

Liu Zunqi, former editor-in-chief of CHINA DAILY, said in an interview published by the newspaper UNITY last week that media reform has seemed lagging behind economic and political reforms.

Liu said the media can reform only when it has totally denounced the errors of the "cultural revolution" and embarks on a new path. This has also been the case with rural and urban economic reforms, the veteran journalist said.

Chinese media, he said, must bear some responsibility for the "cultural revolution." At that time, all of them had to parrot PEOPLE'S DAILY, LIBERATION ARMY DAILY, and the journal RED FLAG, to hoodwink the public. No major improvement in press reform will transpire until the media draw lessons from this deplorable experience.

Liu proposed that each newspaper have its own characteristics. Party newspapers could continue to function as organs of the Party; others should become more independent, while following the lead of the Party in essential matters.

Those run by trade unions, the Youth League, womens' federations, government departments or other organizations should consider the interests of their own readerships and make their contents more varied and lively.

News gathering and writing should be greatly improved, he said. Each paper should send its own reporters to cover news, and not depend simply on the official XINHUA News Agency.

But the key to reform, Liu said, is that each newspaper should have adequate decision-making power. The Party and the government should keep interference to a minimum.

On that subject, Yu Haocheng, member of the Chinese Association of Political Science, discussed freedom of speech and publication in an article published in the magazine NEW OBSERVER.

Freedom of speech and publication, Yu said, is the basic condition for political democracy, which is the ultimate goal of China's political reform. To ensure this freedom, media and publication laws are needed. So long as it does not violate the law, any speech or articles should have the right to be published without interference from any quarters. Editors or editorial boards should have the right to decide what to publish. Intervention by any organization or individual should be taken as infringing upon civil rights.

Yu's opinion was seconded early this month by a seminar of Beijing theorists discussing an essay entitles "On freedom of speech" by Hu Ping. The young social scientist published his essay in the academic journal YOUTH TRIBUNE run by Hubei Academy of Social Sciences.

Historically, one participant of the seminar said, China's brilliant ancient culture was created during a time of free expression -- the Spring and Autumn Period and the Warring States Period (770-221 BC).

But the culture stagnated after free speech was banned when Qin Shi Huang -- the first emperor of the Qin Dynasty (221-207 BC) who unified China -- burned books and persecuted scholars only to be followed by Emperor Wudi of the Han Dynasty (206 BC-AD 220), who held Confucianism in exclusive esteem while rejecting all other schools of thought. When there is no freedom of speech, development of civilization is inevitably impeded, he said.

Freedom of speech, some of the theorists contended, is mainly manifested in freedom of press and of publication. A free press can ensure people the right to criticize and persuade the government and voice their ideas.

The Journalism Institute of the Chinese Academy of Social Sciences recently voiced its views on press reform in GUANGMING DAILY.

Institute researchers said that the press has different functions, including reporting news, spreading views and knowledge, providing entertainment and advertising.

Each newspaper has a different focus, and differing functions should be given appropriate attention. Newspapers should pay more attention to news, printing whatever is of value, including social the entertainment news and photos.

The function of Party newspapers to give guidance should be enhanced with more reviews and commentatories analysing situations to help readers coorectly understand trends and new developments.

Such instructive stories should be concise, emphasizing quality. Repetition should be avoided so as not to cause boredom.

Their group suggestion said there may be Party opinions as well as those of editors and readers. Reporting of international news need not always follow the tone of the government foreign policy statements. Commentaries on international issues should include views of individuals.

The lead story on the front page need not always be politically important, but can be about an international or socially significant event or news of major disasters.

CHEN MUHUA PREDICTS END OF EXCHANGE CERTIFICATES

HK010741 Hong Kong WEN WEI PO in Chinese 1 Oct 86 p 2

[Report by Juan Chi-hung [7086 4764 1347], staff correspondent stationed in Beijing: "Chen Muhua Says the Date for Stopping the Use of Foreign Exchange Certificates Has Not Yet Been Determined."]

[Text] Beijing, 30 Sep -- State Councillor Chen Muhua told this reporter today that at present the state is studying a solution for replacing the foreign exchange certificate, which would satisfy all parties concerned.

At today's National Day reception, Chen Muhua indicated to this reporter that China is to abolish the use of foreign exchange certificates. However, when they are to be abolished remains undecided at present. She went on to say: The government is currently studying a replacement measure which can satisfy all sides concerned. In formulating the measure, we will take into account the convenience of tourists and the need for investors to exchange money. The recovery of the large amounts of foreign exchange certificates in the hands of people on the mainland is also under consideration.

She stressed that when foreign exchange certificates can be abolished will be determined by people's acceptance of the replacement measure. She also denied that the issuance of the renminbi travellers cheque announced yesterday is one of the measures for abolishing the use of foreign exchange certificates.

CUSTOMS TO IMPLEMENT NEW IMPORT RATES 1 OCT

OW301255 Beijing XINHUA Domestic Service in Chinese 0055 GMT 28 Sep 86

[Text] Beijing, 28 Sep (XINHUA) -- In order to meet the needs of opening to the outside world, to simplify computation of customs duties, and to facilitate imports and exports, the General Administration of Customs has decided to implement new import duty rates as of 1 October. Accompanied baggage and articles of entering passengers and personal items sent by mail will be taxed according to the new duty rates.

According to the new duty rates, most duty on import goods will be greatly lowered: Duty rates of imported household electrical appliances such as refigerators and washing machines will decrease from the original 100 percent to 50 percent; cameras and video recorders from 150 to 100 percent; watches from 200 to 100 percent; food products from 100 and 200 percent to 50 percent; various kinds of apparel from 150 and 100 percent to 100 and 50 percent, respectively; and other items from 100 to 50 percent.

Except for some automobiles -- the import of which is restricted and the duty rate is raised from the original 100 percent to 200 percent -- in general, duty rates for articles brought in by passengers and for personal items sent by mail are less than those for imported goods.

BONDS WORTH 1.1 BILLION YUAN TO BE REDEEMED

HK010532 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24 Sep 86 p 1

[By staff reporters]

[Text] An official of the Ministry of Finance disclosed that the Chinese government this year will pay back about 1.1 billion yuan worth of government treasury bonds to business and individuals who made purchases in 1981.

This year, the government will pay back 20 percent of the bonds issued in 1981. The rest will be cashed out over the next four years, at 20 percent a year. Interest will be paid at the time of cash-out.

Mei Jiamo, of the ministry's general planning department, said that lots were drawn in public last March to determine which government bond holders would be the first group eligible to cash in bonds. Banks started to pay principle and interest on the bonds beginning on July 1.

The official said the ministry does not know what proportion of the 1.1 billion has already been paid out. The cash-out period is July 1 to September 30 every year. Any eligible holder who misses the deadline will have to wait another year.

Those in the first group of bond holders are not expected to hold onto the bonds because of the relatively low interest paid on bonds issued in 1981.

The government decided to resume issuance of treasury bonds in 1981 in order to raise money to speed up national economic development, the official said.

The government issued 23.7 billion yuan in bonds the past five years.

The first intended government bond purchasers were businesses and industries. But beginning in 1982, individuals were also encouraged to buy. In 1985, individuals purchased about 60 percent of the total that year.

Annual interest on the bonds has been increased year by year, the official said.

Interest on 1981 bonds was 4 percent. It was raised to 8 percent between 1982 and 1984. In 1985, the rate went up to 9 percent, and this year it stands at 10 percent.

The official said income from bond selling in 1981 was used to offset the country's budget deficit. The rest was invested in capital construction projects in the development of energy, communications and raw materials.

He said bond issuance has been a positive force in progress on key projects and in promoting the continuous and steady development of the national economy.

Problems still exist in the issuance system, he said, but the ministry is working to correct them.

The government treasury bonds are not transferrable and cannot be sold or circulated on the open market. However, illegal exchange of bonds for goods has been detected recently.

INCREASE IN LABOR, CONTRACT WORK REPORTED

HK300519 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Sep 86 p 3

[Article by Cai Ling [5591 3781] and Guan Ting [7070 0080]: "Our Country Speeds up Development of Foreign Contracting Work and Labor Service Cooperation"]

[Text] Our country's foreign contracting work and labor service cooperation are a new undertaking which has been gradually developed over the past few years. Owing to the efforts made by various international economic and technological cooperation companies, our country's foreign contracting work and labor service cooperation have made marked progress. By the end of August of this year, our country had signed contracts involving a total of 3,467 construction project contracts and labor service contracts in 87 countries and regions, involving U.S. $6.074 billion with a turnover of U.S. $2.983 billion accomplished. [paragraph continues]

Our country had also sent altogether more than 170,000 people on business trips abroad. Between January and August of this year, our country signed a total of 452 contracts involving a total of U.S. $0.899 billion with a turnover of U.S. $0.556 billion accomplished, and sent a total of over 47,000 people on business trips abroad.

There are altogether 66 foreign economic and technological cooperation companies in our country at present, among which, 51 are specialized companies and 15 are diversified companies. In 1985, some 16 companies signed contracts with foreign countries and regions, each with a business volume of more than U.S. $10 million. Since 1984, seven companies have received international gold medals and other prizes because of their excellent engineering quality.

Since the beginning of the 1980's -- because of the worsening of the world-wide economic crisis, the drop of oil prices and some other factors -- many foreign countries have reduced their investment in construction and a number of contracted projects. In order to help their own building industries, the countries which contract out projects have increased the number of regulations and rules aimed at restricting foreign contractors and foreign labor services year after year. It was under such difficult circumstances that our country's companies entered the international contracting and labor service market. After struggling for 7 years, many of our country's companies have been turned from companies which were only able to provide labor services and separately contract projects or jointly contract projects in the past into companies which now pursue an overall contract system, have stood firm on the international contracting and labor service market, have set up capable institutions abroad which are operating under perfected administrative systems, and have sent well-trained and qualified personnel to work abroad. Last year, the companies which signed contracts worth more than U.S. $0.1 billion were: China National Construction Engineering Corporation, China Civil Engineering Construction Corporation, and China Harbor Engineering Corporation. The amount of money involved in the contracts signed by these three corporations accounted for 58 percent of the total amount of money involved in the contracts signed by all the companies in the whole country in the same year. Apart from the China National Construction Engineering Corporation and China Civil Engineering Construction Corporation, the companies which accomplished a turnover of over U.S. $50 million also included: China International Water and Electric Corporation, China Road and Bridge Engineering Corporation, China Metallurgical Construction Corporation, and so on.

In the first 8 months of this year, many of our country's foreign economic and technological cooperation companies achieved new successes. This was manifested by not only the increase in the number of projects paid in cash but also by the increase of over U.S. $0.1 billion in the business volume as compared with those of the corresponding period last year. This year, in canvassing projects and submitting tenders and on other specific measures, the companies of our country have adopted a much more flexible attitude than last year. By sticking to the principle of "small profits," the companies of our country have contracted not only the big projects and medium-sized projects but also the small projects -- which are usually looked down upon by the companies of other countries -- so as to enable the many little companies to make a nickle. As far as the method of payment is concerned, the companies of our country have also adopted a much more flexible and diversified method, that is, to accept not only foreign exchange and local currencies but also payment in the form of oil and payment in kind which is acceptable. As far as the method of canvassing projects is concerned, the companies of our country have combined principles with flexibility so as to have strengthened their adaptability on the international market. When consolidating their original markets, the companies of our country have also made efforts to open up new markets. [paragraph continues]

In the first half of this year, the companies of our country opened up four new markets: The Soviet Union, Vanuatu, the Central African Republic, and Burkina Faso. The companies of our country also made breakthroughs in North America and Latin America. Therefore, our country's foreign contracting work and labor service cooperation will not only be brisk in the Middle East, North Africa, and Asia -- which are China's old markets -- but will also enter the United States, the Soviet Union, Canada, Central and South America, Central and South Africa, and other new markets. In the first half of this year, the companies of our country signed contracts each involving over U.S. $10 million with 14 countries and regions. Altogether, 13 of our country's companies signed contracts each involving more than U.S. $10 million with foreign countries and regions. Among the 13 companies, 8 were affiliated with the relevant ministries and commissions and 5 were local companies in Sichuan, Fujian, Jiangsu, Guangdong and Liaoning Provinces.

At present, the business of our country's foreign economic and technological cooperation companies involves the building industry, communications and transportation, water and electric projects, petrochemical industry, geological prospecting and drilling, harbor construction, channel dredging, municipal engineering, gardening and afforestation, desert harnessing and so on, covering nearly all the aspects of social production and social life. Our country's contracting business includes consultation services for construction projects, feasibility studies, locating projects, surveying and designing, assuming responsibility for the provision of construction equipment and materials, engineering work, installation, production, and technological guidance and personnel training after the completion of the construction of projects, and so on. As far as labor service cooperation is concerned, apart from dispatching engineering and technological personnel and construction teams to undertake the construction work abroad, the country's companies have been developing in a diversified orientation and have started to send engineers, experts, administrative personnel, seamen, cooks, postgraduates and sanitation workers, and so on, abroad.

The various foreign economic and technological cooperation companies of our country observe the local laws and decrees of the foreign countries concerned and respect the customs and habits of the people of the foreign countries concerned. Our country's companies have also strictly abided by the contracts and agreements signed with foreign countries. Our country's companies have stuck to the business principle of "abiding by the contract, guaranteeing quality, small profits, and friendship first" and adopted the business methods commonly used on the international contracting and labor service market to contract projects through submitting tenders. Our country's companies have also adopted basically the same methods as those of foreign contracting companies in submitting tenders and discussing bids while retining distinct Chinese characteristics. The aim of all of our labor services is: To "achieve equality and mutual benefit, stress practical results, use diversified forms, realize common development," strengthen and promote friendly cooperation between our country and other countries in the world, learn advanced foreign production technologies and techniques as well as advanced foreign administrative and management methods, train qualified personnel, promote the export of our country's equipment and materials and accumulate funds for the construction of our country.

'FAMILY' GATHERINGS MARK NATIONAL DAY IN BEIJING

HK010852 Hong Kong AFP in English 0812 GMT 1 Oct 86

[Text] Beijing, Oct 1 (AFP) -- Holiday makers from the provinces crowded into Beijing on Wednesday as China celebrated the 37th anniversary of its communist revolution in a festive manner.

In Tiananmen Square, once the site of political rallies, hundreds of thousands of people arrived by foot, bicycle and bus to admire floral arrangements, including one of a towering orange dragon and a giant green peacock. The arrangements and specially-installed portable fountains -- set up in the square for the first time -- gave the normally sombre expanse a festive air. Good-natured crowds -- much larger than those of previous years -- spilled into the roadways, occasionally forcing traffic to a standtill.

Official publications recalled accomplishments in the 10 years since the end of the Cultural Revolution, reaffirmed China's liberalized economic policy and urged attention to the task of building "spiritual civilization." Lan Zhenbao, a 26-year-old textile worker from eastern China, said she and five of her colleagues had come to the capital on official business but stayed several days to "play."

"This is spiritual civilization, isn't it?" She said. "Flowers and well-behaved people, everybody having a good time." Elsewhere in Beijing, traffic was sparse as many residents avoided the crowds and spent the day at home entertaining friends and relatives, watching television and preparing a special evening meal.

In contrast to the 35th anniversary of the founding of the People's Republic of China in 1984, when the city was mobilized for a parade featuring intercontinental missiles and floats extolling China's modernization, Wednesday's celebrations were relaxed and family-centred. No parades were held and the largest public event scheduled was an evening fireworks display in the main athletic stadium. In keeping with the United Nations designation of 1986 as the International Year of Peace, white paper and plastic doves were included in many floral displays. Just how far politics had receded into background was apparent in Tiananmen Square, where family photographers posed their loved ones before a pyramid of chrysanthemums. No none seemed to notice or care that their angle of view left the official portrait of Mao Zedong, hanging on the Gate of Heavenly Peace, entirely obscured by a lamp-post.

ZHAO ZIYANG SPEAKS AT NATIONAL DAY RECEPTION

OW302312 Beijing XINHUA Domestic Service in Chinese 1513 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- Premier Zhao Ziyang's toast at the reception to mark the 37th anniversary of the founding of the People's Republic of China:

Guests and comrades: We are imbued with an extremely joyful feeling in celebrating the 37th anniversary of the founding of the People's Republic of China. On behalf of the party Central committee and the State Council, I wish to extend festive greetings and cordial regards to the people of all nationalities throughout the country, the workers, peasants, intellectuals, cadres, PLA commanders and fighters, and public security officers and men, who are working hard on all fronts, to all the working people and patriotic personages and compatriots in Taiwan, Hong Kong, and Macao, and Overseas Chinese. On behalf of the Chinese Government and people, I also wish to extend a warm welcome to all foreign guests and heads of diplomatic missions in China present at this reception, and to express sincere thanks to our foreign friends who sympathize with, and support, the cause of China's socialist modernization.

This year is the first in the implementation of the Seventh 5-Year Plan in China. The people of all nationalisties throughout the country have taken new strides on the road to socialist modernization.

The series of economic policies and measures taken by the party Central Committee and State Council since the beginning of this year have yielded marked results. The tense situation once created by "overheating" in economic development has been alleviated. China's economy is smoothly developing in a normal, coordinated, and healthy way. There is a steady growth in industrial and agricultural production. The market remains stable and active. There is a continuous improvement in people's livelihood. Currently, we must strengthen our efforts to improve economic results as a focal point, continue to control the scale of our capital construction, vigorously increase our revenue, strive to improve production quality, gradually change the situation under which the product mix fails to meet the needs of the market at home and abroad, and further develop the economic situation.

To persistently carry out reforms, open the country to the outside, and invigorate our economy is a guarantee to the steady and sustained development of our economy. Last year, China made an important step in reforming its economic structure, and attained good results. We have won the first battle. Since the beginning of this year, we have adopted the policy of consolidating, assimilating, replenishing, and improving the reform measures, and provided our economic development with new vitality, while creating a fairly flexible environment in carrying out reforms for the next step.

While advancing economic structural reform, we must also pay attention to reforming the political structure. We shall fully study and consider problems of political structural reform and take guided, planned, and measured steps to ensure that the economic and political structural reforms will march in step and help each other forward.

While persisting in reform, we should unswervingly pursue the policy of opening to the outside world. Currently, special attention should be given to adopting practical and effective measures for bettering the environment for foreign investment in China so as to steadily expand China's economic and technological cooperation with other countries.

The 6th Plenary Session of the 12th CPC Central Committee, which just came to a successful conclusion, had adopted the resolution on the convocation of the 13th National Party Congress and the resolution on the guiding principles for building a socialist society with an advanced culture and ideology. The convocation of this plenary session is bound to have a far-reaching impact on the furtherance of its cultural and ideological advance. We must unswervingly implement the principle of simultaneously developing the "two types of civilizations" to ensure the triumphant realization of the "Seventh 5-Year" Plan, as well as our magnificent goal that we are to achieve by the end of this century.

To realize the peaceful reunification of the motherland at an early date is the common aspiration of our compatriots at home and abroad. We sincerely hope the Taiwan authorities will proceed from the interests of the entire Chinese nation and seriously consider our proposal for reunifying the country on the principle of "one country, two systems." We also hope that they will -- in compliance with the popular will -- allow Taiwan to establish trade, transport, and mail links with the mainland, so that kinsfolk on both sides of the Taiwan Straits separated for 37 long years will be able to meet and enjoy family reunion before reunification is achieved.

Peace and development are the shared aspirations of the people of China and the rest of the world. We shall firmly adhere to the independent foreign policy of peace.

We are striving to develop friendly relations and cooperation with all other countries on the basis of the five principles of peaceful coexistence. We are ready to establish goodneighborly and friendly relations with all neighboring countries. As always, we shall oppose hegemonism and power politics, resist the arms race and strive to safeguard world peace and promote common prosperity, together with the Third World countries and with all peace-loving nations and peoples.

Now, I propose a toast for the celebration of the 37th anniversary of the founding of the People's Republic of China, for the peaceful reunification and prosperity of the motherland, for the ever-increasing friendship and cooperation between the Chinese people and the peoples of various countries in the world, and for peace, stability, and prosperity in the world!

YANG SHANGKUN VISITS BEIJING PHOTO EXHIBITION

OW211301 Beijing XINHUA Domestic Service in Chinese 0826 GMT 20 Sep 86

[By reporter Yin Hongzhu]

[Excerpt] Beijing, 20 Sep (XINHUA) -- Hundreds of High-spirited photography lovers in the capital today gathered at the Chinese Fine Arts Hall to see the photographic exhibition of noted photographers Xu Xiaobing and Hou Bo.

Comrade Yang Shangkun and responsible persons of relevant departments including Lin Mohan, Wu Zuqiang, Shi Shaohua, Wu Yinxian, and Huang Xiang visited the exhibtion to extend congratulations to the photographers. [passage omitted]

XI ZHONGXUN UNVEILS NOTED EDUCATOR'S STATUE

OW240552 Beijing XINHUA Domestic Service in Chinese 1212 GMT 21 Sep 86

[By reporter Zhu Yu]

[Excerpts] Beijing, 21 Sep (XINHUA) -- A bronze statue of celebrated educator Xu Teli, was completed recently at the Beijing Engineering Institute. The unveiling ceremony for the statue was held here today, with Xi Zhongxun, Li Peng, and other leading comrades participating. [passage omitted]

Xu Teli was president of the Yanan Academy of Natural Sciences, the precursor of the Beijing Engineering Institute. He devoted 73 years to the work ;of education and was one of the founders of New China's educational cause.

After Comrade Xi Zhongxun gently removed the red silk covering the statue, Comrade Li Pend delivered a speech. He expressed the hope that all comrade would continue to inherit and carry forward the Yanan spirit, conduct in-depth reform of the educational structure, and make ceaseless efforts to raise the level of management of institutions of higher learning and to improve the quality of higher education. A student representative of the Beijing Engineering Institute respectfully laid a basket of flowers before the statue.

SHANXI LEADERS NEGLIGENCE CAUSES COALMINE FIRE

HK280227 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Sep 86

[Excerpts] A number of leaders of the departments in charge at the Fanshigou coalmine near Taiyuan City gravely neglected their duties, resulting in an extremely serious fire at the mine on 3 March. Most of a Mack-220 coal extractor, imported at huge cost in foreign exchange, as destroyed. The direct economic loss amounted to 2.6 million yuan. Those principally responsible for this accident have recently been punished by party and government discipline and the state laws.

Fanshigou is a key coalmine for modification. A Mack-220 coal extraction set was imported from the United States between November last year and January this year. All except 2 of the 47 large crates containing this equipment were stored in a disorderly way in the mine's machinery repair shop. No proper records of the equipment were kept, and there were no safety installations or signs. Further, no one was specifically assigned to look after the equipment. This was a serious violation of the regulations on care of imported equipment.

On 3 March, two shop workers were seated on one of the crates playing poker and smoking. A falling cigarette ash started the fire. As there were no fire-fighting or water supply devices, this small fire caused a great disaster. Afterwards, the mine leaders tried to shirk their responsibility by going so far as to (?destroy) minutes of meetings and present fake evidence, thus causing obstacles to the accident investigation. [passage omitted]

What is quite intolerable is that certain leading cadres seized the chance of importing the coal extractor set to compete with each other in making foreign trips. After returning from abroad, they showed no signs of bothering about the safety of the equipment or the work of accepting it and putting it into operation. After the fire occurred, they passed the buck to each other in a bid to evade their responsibility.

Following this serious fire, the central and provincial party committee leadership issued comments and the State Council sent an inspection group to help with the work. The provincial party committee set up a work group, and Taiyuan City formed an investigation group which quickly found out who was to blame. The departments concerned have dealt seriously with those responsible for the accident. Deputy Mine Manager Cheng Guoyi, who was a responsible person in importing the equipment and a member of the leadership group accepting the equipment and putting it into operation, has been sentenced to 4 years in jail and expelled from the party for neglect of duties. [passage omitted]

XINHUA Report

OW271047 Beijing XINHUA in English 0902 GMT 27 Sep 86

[Text] Taiyuan, September 27 (XINHUA) -- After unsuccessful appeals, four provincial officials in Shanxi have received jail sentences for neglect of duty, the provincial government told XINHUA today.

After hearings in the Intermediate People's Court of Taiyuan and the provincial Higher Court, the four officials were declared responsible for a fire which destroyed an imported coal mining machine and resulted in a total loss of 2.6 million yuan (700,000 U.S. dollars.

Chen Guoyi, deputy director of the Fanshigou mine in the Gujiao District of the city, was sentenced to four years in prison, and Wang Jinyuan, secretary of the mine's party committee, to two years. Gu Jinsheng, deputy director of the Taiyuan City Coal Mining Administration, and Wang Hengmao, deputy head of the district government, received one year. In addition to their sentences the four have been stripped of their official posts, XINHUA learned from the provincial authorities.

In 1985 the four were sent to the United States to test the machine. After they returned, Cheng, Gu and Wang were given sole responsibility for its safety and installation. After the machine for cutting coal in thin seams arrived at the mine, no measures were taken to protect it, according to a spokesman for the Intermediate Court. He added, "They turned a deaf ear to suggestions by the provincial commodity inspection authorities and other officials in the mine that protective measures be taken." The direct cause of the fire was the careless smoking of two workers who were also sentenced to jail terms of four years by a district court. To complicate the case, Cheng Guoyi and Wang Jinyuan asked employees and associates to forge records of meetings discussing protective measures for the machine to evade responsibility for the fire.

The State Council, China's highest governing body, sent officials to Shanxi to assist local authorities during the investigation and prosecution of the case, the spokesman said.

In a report submitted to the State Council, the Shanxi provincial government admitted that it had not done enough to ensure safety measures for the imported machine. "We must learn a good lesson from the accident and improve our style of work," it said.

Shanxi Radio Commentary

HK280229 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 27 Sep 86

[Station commentary: "People Who Neglect Their Duties Must Be Punished by Law"]

[Excerpts] The serious fire at Fanshigou coalmine caused heavy losses to state property due to neglect of duty. Those directly responsible for this accident have been punished by law. [passage omitted]

Certain cadres, especially certain leading cadres, are content with issuing instructions and listening to reports, and pay no attention to going deep into reality. They fail to check on and supervise the departments and work under their charge. Serious consequences follow their blind neglect of duties. It must be pointed out that a view has developed for a long time among many work personnel that corruption and embezzlement are crimes, whereas neglect of duty that results in serious economic and political losses to the state does not count as a crime, and the affair will be over with the labelling of a person in indulging in bureaucratism, making a self-criticism, and undergoing administrative punishment. Such a phenomenon cannot be allowed to continue. [passage omitted]

Problems similar to those exposed by the accident at Fanshigou coalmine continue to exist in many units. We hope that all units will check on their work and rapidly take effective action to put things right.

HEILONGJIANG HOLDS PARTY STANDING COMMITTEE MEETING

SK300249 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Sep 86

[Text] On 29 September, the Heilongjiang provincial party committee held an enlarged Standing Committee meeting to conscientiously study and discuss the communique of the 6th Plenary Session of the 12th CPC Central Committee, and a resolution adopted at the plenary session on the guiding principles for building the spiritual civilization of the CPC.

Comrades attending the session studied in particular the Central Committee's guiding principles for building the socialist spiritual civilization [words indistinct] and held that the communique and resolution have tremendous practical and far-reaching significance in promoting the all-round reform and opening to the outside world and in building socialism with Chinese characteristics.

In the course of study and discussions, the participating comrades unanimously held that at present, the party organizations and all party members across the province should take the lead in conscientiously studying the resolution, enhance their understanding, unify thinking, and realize the spirit and essence of this programatic document. While studying the resolution, it is necessary to integrate the work of summing up historical experiences and lessons with that of vitalizing the current economy, and to correctly understand our country's overall plan for socialist modernization construction. Also participating in the study and discussions were leading comrades of the provincial Advisory Commision, the provincial People's Congress Standing Committee, the provincial government, the provincial CPC Committee, and the provincial Discipline Inspection Commission.

Department Director Removed

SK290411 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 27 Sep 86

[Text] The 24th Standing Committee meeting of the 6th Provincial People's Congress approved namelists of cadre appointments and removals. the namelist of cadre removals of the Sixth Heilongjiang Provincial People's Congress Standing Committee was approved at the meeting on 27 September 1986. In accordance with the proposal put forward by Governor Hou Jie, the meeting decided to remove Sun Zhongguo from the post of director of the Heilongjiang Provincial Civil Administrative Department.

Meeting Concludes

SK282350 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 27 Sep 86

[Text] The 24th Standing Committee Meeting of the 6th Provincial People's Congress concluded on the afternoon of 27 September after satisfactorily fulfilling the scheduled items on the agenda. The session on that afternoon was presided over by Chen Yuanzhi, vice chairman of the provincial People's Congress Standing Committee. Li Jianbai, chairman of the provincial People's Congress Standing Committee, spoke at the end of the meeting.

The 6-day Standing Committee meeting heard and discussed the provincial government's reports on fulfillment of the economic and social development plan during the January-August period this year, on fulfillment of the budget plan, and on scientific and technological work. It also adopted corresponding resolutions on the reports respectively. The meeting heard and discussed reports on antiflood and relief work, and on the situation of the Heilongjiang provincial invitation meeting on domestic lateral economic cooperation. It also discussed and adopted the Heilongjiang provincial regulations for individual industrial and commercial households, and the Heilongjiang provincial regulations on publications management.

During the meeting the participating members aired their views freely and held animated discussions. They held direct talks with lend discussing issues. This reflected democratic and scientific policy-making.

Chairman Li Jianbai said: When implementing plans, we should guard against two tendencies. One is rashness characterized by lopsided pursuit of the growth rate. What we want is a realistic growth rate characterized by high quality, good economic results, and momentum. The other is inertness and slackness. We oppose lopsided pursuit of a high growth rate, but should pursue a proper growth rate on the premise that quality is ensured and better economic results are achieved. Governments at all levels throughout the province should step up arrangements for production and implementation of plans during the next 3 months, adopt effective measures to fulfill the provincial plans and balance revenues and expenditures, and actively carry out market surveys for the next year, formulation of plans, and preparations for production. While fulfilling the national economic plan, we should attach importance to the fulfillment of the social development plan for education, science, culture, and public health.

He called for efforts to do a better job in providing for and helping diaster areas through production, and in solving the problems in the lives of disaster-afflicted people.

Speaking on financial supervision, Chairman Li Jianbai pointed out that at present particular attention should be paid to propaganda on guarding against a year-end spending spree.

The meeting also approved cadre appointments and removals.

LIAONING, SHENYANG PLA HOLD NATIONAL DAY SOIREE

SK010808 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 30 Sep 86

[Summary] "On the evening of 30 September, Liaoning Province, Shenyang City, and the Shenyang Military Region jointly held a soiree to mark the 37th anniversary of the PRC's founding." The soiree was separatedly held in several theaters. "Joyfully attending the soiree were more than 2,000 persons, including the representatives of the advanced units and individuals of the PLA units stationed in the province, cadres, and the masses." "Also attending the soiree were leading comrades of the party, government, and army organs, including Quan Shuren, Li Changchun, Liu Jingsong, Liu Zhenhua, Li Zemin, Zhang Zhengde, and [name indistinct]."

HONG KONG

FORMULA PROPOSED ON POST-1997 CONSTITUTION

HK290559 Hong Kong SOUTH CHINA MORNING POST in English 29 Sep 86 p 3

[By Chris Yeung]

[Text] In a major breakthrough, a Basic Law working group has worked out a formula which would resolve contradictions between the post-1997 constitution and China's own.

The five-member group, which yesterday ended a two-day session in Shenzhen, also agreed that the controversial issue of residual powers, repeatedly designated a "non-issue" by mainland members, will be examined at the next meeting.

The failure to seek a solution to possible contradictions between the future constitutions of Hong Kong and China since the Drafting Committee began its work in July last year prompted a subgroup to set up a working body in a session at Xiamen last month.

Members of the sub-group on the future relationship between Hong Kong and China shared the view that it was of paramount importance to tell Hong Kong people, in the Basic Law, which articles in China's constitution would or would not apply to the territory after 1997.

China's constitution will be automatically valid in the future Special Administrative Region [SAR] after China resumes sovereignty.

The proposed solution is to guard against applications of articles in China's constitution or other Chinese laws that should not apply in the future SAR.

The proposal is the brain-child of Hong Kong member Mr Martin Lee, who said there should be a clear demarcation between the jurisdictions of China and Hong Kong over articles in China's constitution that will be applied to the future SAR residents.

He cited a case in point: The article on citizens' rights and obligations.

The Basic Law would state that the definition and status of Hong Kong people should be stipulated by China's National People's Congress. However the SAR was to set its own requirements on the rights and obligations of the residents.

And Hong Kong people in the SAR would only have to comply with the Basic Law and other laws to be made locally -- but not China's constitution.

Hong Kong people who committed crimes in other parts of China would be subject to China's laws accordingly but would not be prosecuted again when they returned to the territory.

The five-member group has yet to come up with a solution on whether to spell out the clause — that Hong Kong people will only have to comply with the Basic Law and other laws to be made locally — in the Basic Law itself or to include it in China's constitution.

Mainland member Mr Wang Tieya, an expert on international law, said: "We have made a breakthrough over the approach to tackling the issue.

"The future task is to study ways to extend the formulas to other areas regarding the relationship between the Basic Law and China's constitution."

His colleague, Mr Wu Jianfan said: "The discussions have made good progress and been fruitful.

"It is obvious that some articles in China's constitution should not apply to the territory after 1997," he told a press briefing at the Shenzhen Guest House.

The working body also underlined a number of unresolved issues.

These included the "co-ordination" between the legal systems of China and Hong Kong after 1997, the role of the NPC in the law-making process of the territory and the application to Hong Kong, if any, of other provincial laws in China.

Mr Lee, Miss Maria Tam and Miss Liu Yiu-chu are to submit reports on the outstanding issues at the second meeting in Shenzhen in November.

Miss Liu is also to list articles in China's constitution that should or should not apply in Hong Kong.

MACAO

BANK OF CHINA TO TAKEOVER LARGEST MACAO BANK

HK291030 Hong Kong AFP in English 1025 GMT 29 Sep 86

[Text] Macao, Sep 29 (AFP) -- The Bank of China plans to take over the largest bank in Macao, the general manager of the local bank announced Monday.

Nan Tung Bank General Manager Jiang Jia-Mu said the Bank of China, China's official foreign exchange offshoot, plans to take over his bank on January 1.

Nan Tung Bank is the largest of the 23 banks in the Portuguese administered territory.

Founded in 1950, Nan Tung Bank employs 700 people and had total assets of 9.2 billion Hong Kong dollars (1.17 billion U.S.) as of December 1985.

XINHUA Cites Name Change

OW291820 Beijing XINHUA in English 1658 GMT 29 Sep 86

[Text] Hong Kong, September 29 (XINHUA) -- The Nan Tung Bank Ltd. is getting a new name. As of January 1, 1987 it will be known as the Macao Branch of the Bank of China.

This news was released today in a joint statement by the Bank of China and the Nan Tung Bank in Macao.

Speaking at a press conference today, the manager of Nan Tung Bank, Jiang Jiamu, said the new Bank of China branch will carry out all the business of Nan Tung.

Set up in 1950, under the Bank of China's Hong Kong-Macao regional office, Nan Tung has total assets of 412 million Macao dollars. By the end of 1985, deposits in the bank reached 440 million Macao dollars, or 30 percent of the total deposits in Macao.

Jiang said changing the Bank's name is necessary for the economic development of Macao, adding that the Bank of China is more recognizable which will make foreign exchange dealings in China easier.

With 1,235 overseas offices in 152 countries and regions, the Bank of China has a total asset of 260.5 billion renminbi (about 60.33 billion U.S. dollars) as of the end of 1985.

FBIS
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SHIJIE ZHISHI ON U.S.-SOVIET CONTENTION FOR SEAS

HK301021 Beijing SHIJIE ZHISHI in Chinese No 17, 1 Sep 86 pp 14, 15

[Article by Su Dushi (5685 6236 1709) and Han Bin (7281 1755): "U.S.-Soviet Contention for Supremacy on the Seas"]

[Text] For many years, the vast seas have always been a site where the two superpowers -- the United States and the Soviet Union -- have fiercely scrambled for supremacy in order to seize hegemony over the whole world. Since the mid-1980's, while vigorously scrambling for supremacy at their "high border" -- outer space -- these two countries have never slackened their efforts to contend for supremacy on the seas, which account for about 71 percent of the surface of the globe.

Global contention for supremacy on the seas between the two superpowers have become an important cause for the instability in the current world situation.

Pit-to-Tap Marine Strategy [subhead]

Marine strategy is a basic component of the military and global strategy of the United States and Soviet Union.

The United States has always regarded itself as a "marine state." For the over 40 years since World War II, it has always regarded as one of the basic aspects of its military strategy control of the seas all over the world and command of the sea. Before the 1950's, the U.S. Navy was the strongest in the world, while at that time the Soviet Union only had an inshore navy which was no match for that of the United States. The U.S. Navy became an important tool for the United States in carrying out its "gunboat diplomacy" toward the Third World and its economic and political expansion. When Claytor, former U.S. secretary of the Navy, gave testimony at the Senate Military Committee in February 1978, he admitted, "Over the past 30 years, U.S. armed forces have been used in 200 crises.... Our navy was present in 80 percent of them and was present alone in over 100 of the crises." However, since the 1960's and in particular, since the late 1970's, as the Soviet Navy grew rapidly, the U.S. Navy has been faced with a serious challenge. In the 20 years when the Soviet Navy was under the command of Navy Commander Sergey G. Gorshkov, the Soviet Navy a became an offshore marine force with huge fleets. It has not only grown bigger than that of the United States in terms of number of ships, but has also gained a relative ascendancy in the area of attack submarines. In the same period, as some old warships that were built in World War II were demobilized one by one, as the lack of funds restricted its scale of the construction of new warships, and as there was a shortage of spare parts and ammunition in its store for its ships, U.S. naval supremency over the Soviet Union once dropped to its lowest level for a few years at the end of the 1970's.

Since Ronald Reagan came to office, he has regarded restrengthening the Navy as an important part of his objective to strengthen the United States and stressed that the Navy is an important pillar for U.S. diplomatic policies and for implementation of the current U.S. military strategy of "new flexible response." Reagan not only pays close attention to the Navy's role as a strategic nuclear force, but also to its role in conventional warfare. He clearly said that U.S. marine strategy was to maintain naval supremacy over the Soviet Union and command over the sea. In his "plan to strive to achieve greater marine supremacy" that he put forth in 1981, he alleged: "The United States needs supremacy on the seas and must be able to promptly send troops to the spots of incident at emergencies to control the air, sea, and sea area under the surface in order to ensure the safety of navigation in the sea areas all over the world." [paragraph continues]

In 1984, the Reagan administration redefined the task for the U.S. Navy's ordinary task force as to control the sea and transport forces.

From the points of view of history and geography, the Soviet Union is an inland country and its navy was never much developed in the past. During the Cuban missile crisis in 1962, Soviet ships that carried the missiles had to return in the face of a powerful U.S. Navy and were forced to accept "ship-to-ship" inspection by the U.S. Navy. This incident made the Soviet Union keenly feel the need to strengthen its navy. As Soviet external expansion develops, its strategic thought to scramble for control of seas with the United States has become increasingly clearer. For many years, important Soviet military and civilian figures have time and again stressed that the Soviet Union should be a power not only on land but also on the seas, that Soviet fleets should sail in "all areas that the interests of the country's security requires them to go," and that it should match the U.S. Navy in all the world's oceans. Since the third Middle East war broke out in 1967, Soviet fleets have formally entered the Mediterranean and for a time it maintainted a maximum force of 27 war ships there. During the war between India and Pakistan in 1971, the number of Soviet ships in the Indian Ocean rose to 26. During the fourth Middle East war in 1973, the number of ships in its fleets in the Mediterranean reached 96 for a time. Since 1979, when the Soviet Union got the navy base at Cam Ranh Bay in Vietnam, it has sent a detachment of fleet to permanently stay there and thus greatly expanded the scope of the activities of its Pacific Fleet. Through over 20 years of efforts, the Soviet Navy has now grown from an island defense force into a "blue water" navy with four major fleets (the Baltic Fleet, Black Sea Fleet, Pacific Fleet, and Northern Fleet), and a huge navy that can conduct global contention with the United States. Former Soviet Navy Commander Gorshkov once said: "The Soviet Navy's flags are fluttering on all the oceans in the world. Sooner or later, the United States has to admit that it will no longer be able to dominate the seas."

The Implementation of Plans To Build Warships on a Large Scale [subhead]

In order to gain strategic supremacy on the seas, neither the Soviet Union nor the United States has begrudged the huge expenditure for the vigorous expansion of their navy armament. At present, both countries are carrying out plans to build warships on a large scale. The Reagan administration has drawn up a plan to build warships on an unprecedented large scale, with the goal that by the end of the 1980's the U.S. fleet will have 600 major combat warships including 15 aircraft carriers, 4 refitted battle ships, and 100 nuclear attack submarines. As a result of the implementation of this plan, by the end of Fiscal Year 1986, the number of major ships in the U.S. Navy will rise from 479 in 1980 to 554 in 1986. The number of battleships will rise from 0 to 3, that of attack submarines will rise from 74 to 97, and that of cruisers will rise from 26 to 32. In addition, the construction of two huge nuclear aircraft carriers has been speeded up. The number of personnel on active duty in its Navy and Marine Corps has also risen from 705,000 in 1980 to 780,000 now.

At the same time, the Soviet Union is also carrying out a similar plan to build and renew various kinds of warships. According to statistics provided by the London International Strategy Research Institute in Britain, the Soviet Union now has 270 attack submarines, a number about 160 percent bigger than that of the United States, and thus has the largest submarine fleet in the world. The Soviet Union has also changed its old view that aircraft carriers are only moving targets for missiles, and is vigorously developing its ouw aircraft carriers. It is now building four Kiev-class aircraft carriers, and has recently been building a nuclear aircraft carrier of 60,000-70,000 tons, which is expected to go into service soon. In addition, it is vigorously developing missile cruisers and Navy airplanes stationed on land, and plans to employ antiwarship missiles to deal with the special mixed fleets of the United States.

In building up their strategic forces on the seas, the U.S. and Soviet Navies are vying with each other in building new-type strategic nuclear submarines in order to have greater marine strategic nuclear-deterrent forces. So far, the United States has 37 strategic nuclear submarines, of which 7 are Trident submarines of the newest type and are equipped with about 650 ballistic missiles that can be launched uncer the surface of the water. The Soviet Union has 64 strategic submarines, of which 4 are newly-built Typhoon-class nuclear submarines and are equipped with more than 980 ballistic missiles that can be launched under the surface of the water. As the vast seas are the best cover, they have already become the main site for the United States and the Soviet Union to compete with each other in developing and deploying strategic nuclear forces.

Contention for Important Strategic Places on the Seas [subhead]

In order to scramble for command of the seas, both the United States and the Soviet Union have sent battle fleets for permanent stationing abroad and intensified their contention for important strategic places abroad. The United States has established naval bases in many areas around the world. Since the 1960's, the Soviet Union has also set up one by one naval bases in Cuba, South Yemen, and Vietnam. In some areas, naval bases of the two countries are situated opposite each other across the sea and their naval warships have collided with each other many times on the sea. For example, a Soviet V-II class submarine was caught by the cable of a U.S. escort vessel in the sea area near South Carolina in the United States and a Soviet V-I class nuclear submarine collided with a U.S. aircraft carrier and was thus damaged in the sea area near Korea. These reflect from another angle the fierce contention between the United States and the Soviet Union on the seas.

The contention between the United States and Soviet Union for traffic lines and key communication spots is particularly fierce.

In order to ensure the seaway for its Pacific Fleet to go to outlying oceans, the Soviet Union has even now refused to return to Japan its four northern islands and has furthermore stationed many troops there. In order to ensure marine communications lines for the United States, the United States declared not long ago that it would strive to control 16 vital communications spots in the world (refer to issue No 6 of this journal this year). All these vital spots are places for which people will surely scramble in wartime. If one of them can occupy them, it will be able to cut the throat of the other. If the Soviet Union controls these places, it will be able to seriously threaten the marine transportation of petroleum, raw materials, and other strategic materials and goods of the United States to support the war that is fought in Europe or other areas. Reversely, if these vital spots are controlled by the United States, they will not only enable it to ensure the unblocked marine communications of itself and its allies, but also to keep Soviet fleets in closed bases or sea areas.

All the above shows that the contention for supremacy on the seas between two superpowers -- the United States and the Soviet Union -- will intensify day by day. This consititues a serious threat to the safety and stability of various areas and also to world peace. It cannot help but rouse people's great concern.

WANG BINGQIAN ADDRESSES IMF-WORLD BANK MEETING

OW011236 Beijing XINHUA in English 1223 GMT 1 Oct 86

[Text] Washington, September 30 (XINHUA) -- The Chinese finance minister called on international finance leaders to help developing countries now facing growth crises.

Speaking at the annual meeting of the International Monetary Fund and the World Bank, which opened here today, Wang Bingqian told representatives from 150 nations that the world economy is increasingly interdependent today.

"It is hardly imaginable that global economic prosperity and political stability can be sustained in an environment in which the developing countries are confronted with deepening development crisis and economic difficulties," Wang said.

He expressed his disappointment with the developments of the world economy since the last annual meetings.

The economic growth in major industrial countries has continually decreased, with their trade and fiscal imbalances largely intact, he said, adding that the disturbing factor is the further deterioration of the international economic enviroment for developing countries.

The prices of primary commodities and petroleum have plunged while those of manufactured goods have risen, resulting in worsened terms of trade for the developing countries. Combined with the proliferation of protectionism, especially of the non-tariff kind, has caused a sharp reduction in export earnings of the developing countries, Wang said.

At the same time, there has been little increase in the capital flow to developing countries, and furthermore, reversed transfers have been going on for years, resulting in a negative growth rate in a number of countries, he noted.

Over the past nine months, the Chinese minister said the debt problem has been getting worse, renewing concern over the possibility that the debt crisis may recur.

"Close to one trillion dollars in magnitude, the indebtedness not only imposes a heavy burden on the developing countries in their economic development, but also constitutes a major factor of instability in the world economy," he said.

Wang urged the developed countries and creditor banks to cooperate in the developing countries' efforts to fight debt problems. The major industrial countries must curb protectionism to permit export expansion by developing countries.

To meet the needs of the developing countries for economic adjustment and development, the Chinese minister suggested a general capital increase for the World Bank.

He said the World Bank should assume an additional role under new circumstances to assist member countries in economic adjustment by appropriately increasing policy-based lending.

"The Chinese Government shall strive in close cooperation with other member countries, for the earliest realization of the general capital increase," he said.

"China is committed to full cooperation with other member countries to play a positive role in the World Bank and the International Monetary Fund with a view of creating a better international enviroment," the Chinese finance minister concluded.

RENMIN RIBAO WELCOMES U.S.-USSR REYKJAVIK SUMMIT

OW011113 Tokyo KYODO in English 1037 GMT 1 Oct 86

[Text] Beijing, Oct. 1 KYODO -- The official Chinese newspaper PEOPLE'S DAILY said Wednesday that Beijing welcomes the superpower summit meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan agreed Tuesday.

China has so far maintained that the U.S. and the Soviet Union should aim at an agreement on effective disarmament between them through sincere negotiations.

Foreign Minister Wu Xueqian told the United Nations General Assembly on September 24 that successful disarmament depends on whether the superpowers sincerely seek it. "The two countries should reach an agreement to ensure they never resort to nuclear war and do not infringe on the sovereignty of other countries by military force," Wu added.

On disarmament issues, China has recently made it clear that every country in the world regardless of its military strength should be allowed to voice its concern about the issue so that the superpowers can take into account such positions.

PRC, USSR DISCUSS OPENING 6 NEW CONSULATES

HK020755 Hong Kong AFP in English 0722 GMT 2 Oct 86

[Text] Beijing, Oct 2 (AFP) -- China and the Soviet Union have discussed opening six new consulates, some of them located in strategic zones in both countries, a diplomatic source said Thursday. The topic was discussed during a mid-August visit here by Vice Premier Nikolay Talyzin, the source said.

Envisaged are Soviet consulates in Shenyang, Guangdong and Urumqi, and Chinese consultaes in Kiev, Alma Ata and Khabarovsk, the source said.

Beijing and Moscow had previously agreed in May to reopen consulates in Shanghai and Leningrad, the first since the Sino-Soviet split in the early 1960's.

The diplomatic source said China preferred to wait for another foreign country to open a consulate first in Urumqi, in the Xinjiang Autonomous Region about 420 kilometers (250 miles) from the Sino-Soviet frontier. The province includes Uygurs, Khirgiz, Tajiks and Uzbeks, large Muslim communities who are also present in the Soviet Republic of Kazakhstan.

Khabarovsk, at the eastern end of the Soviet Union, is situated near a border zone that was the scene of bloody Sino-Soviet clashes in March 1969.

A spokesman for the Soviet Embassy here said he had no comment to make on the source's report. Thursday was a public holiday in China and the Ministry of Foreign Affairs could not be reached for comment.

During the visit by Mr. Talyzin, the highest-ranking Soviet official to visit China since 1969, China and the Soviet Union renewed a consular agreement covering stays in China by diplomatic personnel, experts and exchange students and their movements.

Beijing and Moscow agreed last month to resume border talks next year. The talks were broken off by China in 1979 after the Soviet invasion of Afghanistan, observers said.

The talks will deal with the delineation of the border along the Ussuri and Amur Rivers, in northeastern China and the Soviet Far East, and in a zone straddling Xinjiang Province in China and Soviet Kazakhstan.

Border negotiations took place alternatiely in Beijing and Moscow between 1964 and 1978 but proved fruitless.

But on July 28 Soviet Leader Mikhail Gorbachev said the Soviet Union was prepared to recognize the center of the Ussuri and Amur as the frontier, rather than the Chinese bank -- an apparent concession to China.

SCIENCE EDUCATION DELEGATION ENDS USSR TOUR

OW020015 Beijing XINHUA Domestic Service in Chinese 0302 GMT 30 Sep 86

[Text] Moscow, 29 Sep (XINHUA) -- A Chinese science and engineering educational delegation, headed by Zhu Kaixuan, vice minister in charge of the State Education Commission, left here for home today after concluding a 2-week visit to the USSR.

The delegation made the visit at the invitation of the Soviet Ministry of Higher and Secondary Specialized Education. During the visit, the delegation and its Soviet counterparts briefed each other on higher education and reform. The delegation also toured the cities of Moscow, Novosibirsk, Leningrad, and Kharkov.

Gennadiy Yagodin, Soviet minister of higher and seconday specialized education, met the delegation.

KOREAN PAPER MARKS CHINESE NATIONAL DAY

OW011012 Beijing XINHUA in English 0851 GMT 1 Oct 86

[Text] Pyongyang, October 1 (XINHUA) -- The leading Korean newspaper "NODONG SINMUN" today highly praised China's achievements in various fields in the past 37 years.

In an editorial to mark the 37th anniversary of the founding of the People's Republic of China, the paper noted that the Chinese people have in these years made great achievements in their socialist revolution and socialist construction under the leadership of the Communist Party of China.

Since the founding of the People's Republic in 1949, China's international prestige has been rising with each passing day, exerting growing influence on international affairs, the editorial said.

The editorial also highly valued the Sino-Korean friendship, saying it has made great contributions to their respective socialist construction and to the peace and security in Asia and the rest of the world.

PRC TECHNICIANS RECEIVE MEDALS IN PYONGYANG

OW011926 Beijing XINHUA in English 1632 GMT 1 Oct 86

[Text] Pyongyang, October 1 (XINHUA) -- The Democratic People's Republic of Korea, under an order of President Kim Il-song, today awarded friendship medals to 49 Chinese engineers and technicians for their help in building the Haijoo paper plant.

DPRK Vice-President Pak Song-chol at the awards ceremony praised the efforts made by the Chinese engineers and technicians in building the paper plant.

Construction of the plant was started in 1981, and trial production has just been successfully carried out. Using reeds and bamboo that grow locally as raw materrial, the plant has a designed annual capacity of producing 11,000 tonnes of paper.

Chinese Ambassador to Korea Zong Kewen was present at the awards ceremony.

XINJIANG-JAPAN JOINT VENTURE STARTS UP

OW01191 Beijing XINHUA in English 1608 GMT 1 Oct 86

[Text] Urumqi, October 1 (XINHUA) -- The Tianshan Pharmaceutical Industrial Company Ltd., a joint venture project between China and Japan, opened business here today. This is Xinjiang's first pharmaceutical business using foreign capital, local officials said. The company uses licorice roots to produce sweet additives for export to Japan and other countries. It will begin trial production next month. The region is one of China's major producers of licorice roots.

GENG BIAO MEETS, FETES VIETNAM'S HOANG VAN HOAN

OW291221 Beijing XINHUA in English 1130 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Geng Biao, member of the Standing Committee of the Central Advisory Commission of the Communist Party of China (CPC) and vice-chairman of the National People's Congress Standing Committee, met and feted Hoang Van Hoan, veteran Vietnamese revolutionary, here today.

Among those present at the meeting and dinner were Zhu Liang, head of the International Liaison Department, and Yang Dezhong, deputy director of the General Office, of the CPC Central Committee.

XINHUA VIEWS CAMBODIANS JOINING RESISTANCE

OW291848 Beijing XINHUA in English 1830 GMT 29 Sep 86

["Why Do They Come Over to Resistance Forces? (by Ma Shengrong)" -- XINHUA headline]

[Text] Oddar Meanchey, Kampuchea, September 29 (XINHUA) -- It becomes clear to most of the Kampucheans now that the Vietnamese have come to occupy our country and oppress the Khmers. This is the exact reason which makes me join the resistance," 43-year-old Ou Chheng said.

During an interview with this correspondent at a jungle base of the resistance forces last weekend, Ou Chheng admitted that he did not see through the true feature of the Vietnamese invaders in 1980 when he was drafted into the Heng Samrin army.

"I was posted at a well-equipped hospital in Phnom Penh which only accomodates high-ranking Vietnamese and Heng Samrin soldiers. I thought that the Vietnamese would treat us as equals," he said.

Ou Chheng soon found out that he was wrong. The Khmers had no say in the hospital and all the decisions had to be approved by the Vietnamese advisers.

He was later sent to Oddar Meanchey Province, northwest Kampuchea, to serve as chief of the medical team in the Heng Samrin army. "The Vietnamese advisers kept a close eye on everyone of us. I came to realize that as a Khmer, I should not help the aggressors," he said.

When he was ordered to go back to Phnom Penh he found a pretext to stay on. "It is easier to escape from the border province because the resistance forces are operating in the area," he said. With the help of resistance soldiers, Ou Chheng arrived at a resistance base in the early morning of June 16.

Resistance leaders told this correspondent during the visit to their bases that from January to September this year, over 1,000 Heng Samrin soldiers defected to the northwest zone of the National Army of Democratic Kampuchea (NADK), 403 to the Nationalist Sihanoukian Army (ANS) and 251 to the Khmer People's National Liberation Front (KPNLF).

26-year-old Tep Savoeun was commander of No 19 Battalion of the Fourth Division of the Heng Samrin army. His battlion was transferred to the border areas in Battambang Province at the beginning of 1986. "The Vietnamese forced us to fight with the resistance forces with guns, they are using us as cannon fodder," he said.

One company of soldiers in the battalion defected to the resistance forces shortly after they were transferred to the border areas. What these soldiers has done was right, he said, adding "I cannot command Khmers to fight Khmers."

Tep Savoeun worked out a plan for himself. In the late night of July 13, he told the Vietnamese advisers that he was leading a company of soldiers to attack a resistance base near the border and then he came over to the resistance side.

For Mak Sineat, it was much easier to carry out his plan of defection. He had been working in a special Political Section in the Defence Ministry of the Heng Samrin regime for over six years. Each officer in this section was issued a special pass which allowed him to go throughout Kampuchea.

"The pass had helped me a lot. I travelled from Phnom Penh to Battambang with my wife and children without a hitch," he said. He later moved up to the Kralanh District of Siem Reap Province, where he and his family went to a resistance base with the assistance of resistance agents.

"I am a Khmer, I cannot tolerate the Vietnamese to oppress our compatriots, Khmers will not fight Khmers," he said.

PHILIPPINE PRESS HAILS CPC PLENUM RESOLUTION

OW011016 Beijing XINHUA in English 0826 GMT 1 Oct 86

[Text] Manila, October 1 (XINHUA) -- Newspapers here have highlighted the resolution adopted by the Sixth Plenary Session of the 12th Central Committee of the Communist Party of China on the guiding principles for building a socialist society with an advanced culture and ideology.

The "WORLD NEWS" said today that the resolution will be a tremendous enlightenment for the billion chinese people in their march to socialist modernization.

Guided by the resolution, the paper said in a commentary, the Chinese people will work still harder for even greater achievements in all fields in socialist construction.

In a news analysis, the paper "TRIBUNE" pointed out that the resolution "dealt extensively with how China can challenge traditional socialist theories of economic development and still retain unquestioned allegiance to Marxism, the Communist Party and a system of ethics based on love of the motherland, the people, labor, science and socialism."

"THE MANILA TIMES" said editorially, China has made giant strides in the economic field. China stands for the maintenance of world peace and the relaxation of international tension. It is opposed to all aggression and hegemonism. It advocates the settlement of international disputes through negotiations, and open relations with the outside world.

The paper "MALAYA" in a signed article praised China's achievements in science, medicine and sports, and pointed out that it was "socialism that has brought about transformation of China and the Chinese. Before the Chinese revolution, China had been cut up by the European nations, which controlled commerce and industry."

"THE MANILA JOURNAL" said that nobody doubts the success of China in its agricultural and urban reforms. China is not going capitalist.

It went on to say that economic reform will certainly continue. "China is almost totally absorbed by it, and while foreign help is sought, that won't be decisive. This is an internal drama of global implications," the paper stated.

ADB PRESIDENT PRAISES PRC ECONOMIC REFORMS

OW262205 Beijing XINHUA in English 1637 GMT 26 Sep 86

[Text] Manila, September 26 (XINHUA) — Masao Fujioka, president of the Manila-based Asian Development Bank (ADB), said today that "China will become a major economic force in the coming decades if its present policies to modernize its economy continue and adequate investment is made in industry.

Fujioka was speaking in New York before a gathering of scholars, government officials and business leaders showing special interest in Asia. His prepared speech was released to the press in Manila by the ADB Information Office today.

He said that after passing through a turbulent period during the "Cultural Revolution," China has made a major shift towards policies to modernize its national economy.

He went on to note that economic reforms have brought about remarkable success in agriculture. In the industrial field, both intensive retraining of the work force and increased trade and economic cooperation with developed countries are being sought to increase efficiency and the productivity of investment.

He also pointed out that China's exports greatly increased from 1970 to 1985 and further increases are expected.

China will not only become an important exporter of a large variety of goods and services but also provide a large market of industrial goods and raw materials for other countries within and outside the asian and pacific region, he noted.

ZHAO ZIYANG MEETS OUTGOING, ARRIVING ENVOYS

OW271214 Beijing XINHUA in English 1158 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) — Premier Zhao Ziyang met on separate occasions here today with out-going Thai Ambassador to China Orachun Tanaphong and new Malaysia Ambassador to China Dato Ismail bin Mohamed Salleh.

NEW PRC ENVOY TO ALBANIA PRESENTS CREDENTIALS

OW011916 Beijing XINHUA in English 1630 GMT 1 Oct 86

[Text] Tirana, October 1 (XINHUA) -- Newly-appointed Chinese Ambassador to Albania Fan Chengzuo yesterday presented his credentials to the chairman of the Albanian Presidium of the People's Assembly, Ramiz Alia.

The two met after the credentials ceremony. Fang arrived in Tirana September 23.

NPC GROUP CONTINUES VISIT TO BULGARIAN

Meets Todor Zhivkov

OW260422 Beijing XINHUA in English 0147 GMT 26 Sep 86

[Text] Sofia, September 25 (XINHUA) -- Todor Zhikov, chairman of the State Council of Bulgaria, today met and had a friendly talk with the delegation of the Chinese National People's Congress led by Vice-Chairman of its Standing Committee Liao Hansheng.

Zhivkov expressed satisfaction with the development of Sino-Bulgarian relations in recent years. "I hope the relations between our two countries will be further enhanced," he said.

Both Bulgaria and China are socialist countries, he noted, adding, "temporary divergence should not present an obstacle to the development of good relations between our two countries."

The two parties briefed each other on the economic tasks and structural reform in the two countries. They also exchanged experiences in building socialism.

Both sides stressed that the most important task today is to stop the arms race, reduce nuclear weapons and eliminate the danger of a nuclear war and people of all nations must work hard to achieve this aim.

Liao Hansheng conveyed Chinese leaders' regards to Zhivkov and other Bulgarian leaders. Zhivkov expressed his thanks and asked Liao to convey his best wishes to Chinese leaders.

Leaves for Hungary

OW270454 Beijing XINHUA in English 0133 GMT 27 Sep 86

[Text] Sofia, September 26 (XINHUA) -- A delegation of the Chinese National People's Congress led by its Vice-Chairman Liao Hansheng ended its visit to Bulgaria and left here for Hungary today.

Interviewed by correspondents from the Bulgaria television station, the broadcasting station and a newspaper earlier today, Liao Hansheng said that both China and Bulgaria hope to further develop the relations between them in every field and to strengthen the cooperation between their parliaments.

On world peace, Liao said that maintaining peace is the common wish and sacred duty of all people. China consistently opposes nuclear war and stands for complete banning and thorough destruction of nuclear weapons, he added. During his stay in Bulgaria, Liao met with Bulgarian leader Todor Zhivkov and Chairman of the National Assembly Stanko Todorov and First Vice-Chairman of the Council of Ministers Andrei Lukanov. He also visited the provinces of Plovdiv and Varna accompanied by Vice-Chairman of the Bulgarian National Assembly Drazha Vylcheva.

The delegation arrived here on the 19th this month for an eight-day visit. This is the delegation's first leg of its East European tour which will also take it to Hungary and Czechoslovakia.

CZECHOSLOVAK PARTY DELEGATION LEAVES BEIJING

OW291829 Beijing XINHUA in English 1645 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Michal Stefanak, head of the International Affairs Department of the Czechoslovak Communist Party, and his party left here today after a three-day stay on their way abroad.

Earlier, Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and feted the guests. Li Shuzheng, deputy head of the department held talks with the visitors on questions of common interest.

NPC GROUP BEGINS HUNGARY LEG OF E. EUROPE TOUR

Feted In Budapest

OW271041 Beijing XINHUA in English 0733 GMT 27 Sep 86

[Text] Budapest, September 26 (XINHUA) -- Istvan Sarlos, speaker of the Hungarian National Assembly, gave a banquet tonight in honour of a delegation of the Chinese National People's Congress led by its Vice Chairman Liao Hansheng. The Chinese delegation arrived in Budapest today.

In his toast, Sarlos said that the ideas and programs for economic development in Hungary and China have made the ties closer between the people of the two countries.

In return, Liao said that his delegation has come to Hungary to restore and further the relationship between the legislative bodies of the two countries and to learn more about the experience in Hungary's development. He expressed the hope that the visit will help promote political and economic ties between China and Hungary.

Liao Hanshang Meets Sarlos

OW280310 Beijing XINHUA in English 0246 GMT 28 Sep 86

[Text] Budapest, September 27 (XINHUA) -- Hungarian National Assembly Speaker Istvan Sarlos met today with a delegation of the Chinese National People's Congress led by its vice chairman Liao Hansheng.

They discussed expanded cooperation between the legislative bodies of the countries. Sarlos briefed the Chinese guests on Hungary's economic development and explained his country's foreign policy.

The Chinese delegation arrived in Hungary Friday.

HUNGARIAN PAPER HAILS PRC 'REVOLUTIONARY' REFORM

OW011930 Beijing XINHUA in English 1709 GMT 1 Oct 86

[Text] Budapest, October 1 (XINHUA) -- The "HUNGARY NATIONAL NEWSPAPER" today commemorated China's 37th anniversary noting that the current economic reforms are viewed by as many as "revolutionary."

Reform has sped-up development of the Chinese economy and achieved great successes hitherto unimagined, although it is still at the experimental stage, the editorial said.

It noted that China has realized self-sufficiency in grain due to reform in rural areas, adding that similar policies have been extended to urban areas and to finance and planning.

PRC EXPORTS TELEVISION SETS TO HUNGARY

OW301725 Beijing XINHUA in English 1636 GMT 30 Sep 86

[Text] Tianjin, September 30 (XINHUA) — Fourteen hundred Chinese television sets were shipped to Hungary today, marking the first time that China has exported color televisions to East Europe.

According to a trade contract signed between China and Hungary in May this year, China is to export 21,400 14-inch and 18-inch "Beijing" Brand television sets to the East European country.

The "Beijing" Brand television, produced by the Tianjin Telecommunications and Radio Company, is known in China for its clear and stable picture.

The company, one of China's oldest, has an annual production capacity of 600,000 television sets, including 450,000 color sets, a company official, told XINHUA.

ZHEJIANG GOVERNOR MEETS HUNGARIAN DELEGATION

OW270639 Hangzhou ZHEJIANG RIBAO in Chinese 18 Sep 86 p 1

[Text] Last night Zhejiang Governor Xue Ju met with and gave a banquet for a delegation from the Hungarian Economic, Trade, Science, and Technology Cooperative Commission led by Istvan Hetenyi, Hungarian minister of finance.

The Hungarian delegation arrived in Hangzhou on 16 September for a visit in the company of Liu Yi, minister of commerce. That evening, Vice Governor Xu Qichao met with the Hungarian quests and hosted a banquet for them.

When Governor Xue Ju met with the guests, responsible persons of the provincial departments concerned, including Wang Zhonglu, Zhuang Yumin, Wu Qian, and Zhou Zhangxie, were on hand.

While in Hangzhou, the delegation visited the Hangzhou Television factory, the Hangzhou silk printing and dyeing plant, and the Longxiangqiao farm produce trade market and toured some places of historic interest and scenic beauty.

RENMIN RIBAO EXAMINES SITUATION IN POLAND

HK301220 Beijing RENMIN RIBAO in Chinese 30 Sep 86 p 6

[Article by Wen Youren (2429 2589 0088): "Poland Is Marching Forward on the Road to Socialist Reform"]

[Text] There is a small cross, made of flowers and greenery, on the ground in front of a small church in central Warsaw. Now, the flowers and leaves have withered away. Few passersby still pay attention to it. This cross was made by some dissidents as a sign of "protest" against the military control after the Polish Government banned the Solidarity trade union in late 1981 and imposed military control over the country. In those days, many people gathered around this flower cross every day. They replaced the withering flowers and leaves with fresh ones, and the cross seemed never to wither. However, this cross has now faded from people's memory.

In May this year after a 4-year search, the Polish authorities eventually arrested Bujak, leader of the underground Solidarity trade union leading organ -- the "National Coordination Committee," -- and then released him in an amnesty in September.

The fact that the flower cross has faded from people's memory, and that all political prisoners have been released, is like two clear drops of water, reflecting from different aspects the calmness of the political ocean in Poland.

In August and September 1980, there were huge waves on the Poland's political ocean. The economic policy pursued by Polish leader Gierek in the 1970's brought the country to a serious economic crisis. In August, the biggest workers movement in the postwar years emerged. The Solidarity trade union, which was independent from the existing trade union organizations, had a membership of nearly 10 million people within just a few months. Some leaders of the Solidarity trade union openly declared that they would seize political power. In view of the political crisis and social unrest, the Polish authorities could not but impose military control over the whole country in December 1981 and banned the Solidarity trade union. However, a "crisis of confidence" permeated through the country. Many members of the Polish United Workers Party [PZPR] and the Socialist Youth League gave up their party and league membership. From December 1980 to December 1983, the number of party members decreased from 3.09 to 2.19 million people; and the number of league members decreased from 1.99 to 1.5 million people.

In order to change the difficult situation, the Polish authorities began to pursue a new socialist line after imposing military control over the country, by improving the political structure and carrying out economic reforms so as to win the people's support and gradually stabilize politically. Thus, the national economy began to rehabilitate and develop.

After summing up the experiences and lessons in the crises since the end of the war, Polish party leaders began to take a series of measures such as bringing the role of socialist democracy into play, improving leadership, and promoting understanding between the country's nationalities.

Polish party leaders readjusted the Central Political Bureau and local leading groups, dismissed those who had a strong prejudice in favor of the Solidarity trade union, and removed obstacles to the exercising of a new reform line. Since the enforcement of military command, the position and work forms of trade unions have become entirely different from those during the period before the crises. The party and the government consult with trade unions on major problems concerning the interests of the workers. The party spreads ints influence by encouraging its party members in trade unions at various levels to do their work well. It has also set up public opinion investigation centers to conduct public opinion polls on major problems. These centers regularly announce the results of the polls they conduct so as to enable leaders to be aware of the people's feelings and to draw up policies. On the policy toward cadres, the party pays attention to appointing people according to their morality and talents. In addition, it has also organized a patriotic movment for national rebirth aimed at uniting people from all walks of life. The role of the assembly, the United Peasants' Party, and the Democratic Party has strengthened. Moreover, the number and rights of government departments have been reduced and their work methods imporved. The number of administrative personnel at the central level has been reduced by one fourth. Constitutional and state courts have been established and measures have been taken to strengthen supreme courts and supreme procuratorates.

As a result of several years' arduous efforts and gradual economic recovery, the "crisis of confidence" has been eased. The trend of declining party and Youth League membership began to be reversed in 1985. Last year the party had a total of 63,000 new members, half of them being under 29 years of age. Meanwhile the Youth League membership increased by 16,000. Not long ago, when meeting with a group of Chinese reporters, Polish Government spokesman Urban revealed that the membership of the new trade union had exceeded 5 million, 60 percent of them being former members of the Solidarity trade union. Having experienced the 1980 strike movement, people now generally do not favor turbulence and are looking forward to stability and construction. In consequence, the situation is tending to stabilize in the country and the influence of the Solidary trade union is declining. The underground Solidarity trade union failed in its repeated attempts to appeal for strikes and demonstrations last year.

The 10th National Congress of the PZPR adopted a decision to push the country's economic reform further forward into the seond stage. In order to oppose bureaucracy and defeat all attempts to sabotage the reform and return to the old ways, the second stage of the reform will "start from the reform of the central state administrative organizations." The 10th PZPR Congress demanded that all superstructure organs from the central to local levels, carry out a general examination of their organizational structures, eliminating duplicate organizations, cutting redundant executives, enhancing management efficiency, and expediting the economic reform. In addition, measures have also been adopted to further expand socialist democracy and promote social consultation. All these reformatory measures have already produced positive effects.

As pointed out by PZPR Central Committee First Secretary Jaruzelski after the 10th PZPR National Congress: The socialist reform is irreversible in Poland, and its targets can be fulfilled although "we face a difficult path ahead." Poland is now heading for greater stability, recovery, and development in all fields.

LI PENG BEGINS TOUR OF 3 AFRICAN COUNTRIES

Departs 26 Sep

OW260120 Beijing XINHUA in English 1712 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) — Chinese Vice-Premier Li Peng left here this evening to attend the celebration ceremony for the 20th anniversary of the independence of the Republic of Botswana, and to pay an official, friendly visit to the Republic of Cote d'Ivoire and the Republic of Ghana at the invitation of the governments of three countries.

On his way back home, Li Peng will visit the Aswan Dam in Egypt upon invitation.

Arrives in Botswana

OW281944 Beijing XINHUA in English 1918 28 Sep 86

[Text] Gaborone, September 8 (XINHUA) — Chinese Vice Premier Li Peng arrived here this afternoon as the Chinese Government's special envoy to the celebrations of Botswana's 20th anniversary of independence.

Li Peng, accompanied by Vice Foreign Minister Qi Huaiyuan and Vice Minister of Foreign Economic Relations and Trade Lu Xuejian, was met at the airport by Botswana Vice President Peter Mmusi and other officials.

During his three-day stay in Botswana, Li Peng, the highest Chinese official ever to visit Botswana, will meet with President Quett Masire and hold talks on economic cooperation with Vice President and Minister of Finance and Development Planning Peter Mmusi.

China and Botswana have enjoyed cordial relations since the two countries established diplomatic relations in 1975. Leaders of the two countries exchanged visits frequently. The late Botswana President Seretse Khama visited China in 1976, and President Masire visisted China in 1980 and 1983.

The Chinese Government sent a delegation to Botswana in 1976 when the country celebrated its 10th anniversary of independence. A Chinese medical team, an agricultural team and a railway team are now working in Botswana.

Meets Botswana's President

OW291917 Beijing XINHUA in English 1606 GMT 29 Sep 86

[Text] Gaborone, September 29 (XINHUA) — Botswana President Quett Masire met Li Peng, Chinese vice-premier and special envoy of the Chinese Government, and his party here this morning for talks on bilateral relations.

During the one-hour meeting, Masire expressed his satisfaction with the existing good ties between the two countries and expected such relations to be developed further. The two countries established diplomatic relations in 1975.

The two leaders exchanged views on the current world affairs and on matters of mutual interest. Both sides said they shared the same views in many respects.

On the problem of Afghanistan and Kampuchea, Masire and Li pointed out that they should be solved by their own people and without any external interference.

Li Peng spoke highly of the achievements the Botswana people and government have made in the past 20 years and appreciated the domestic and foreign policies pursued by the Botswana Government.

The Chinese vice-premier reiterated the support for Botswana and all the southern African countries in their struggle against the apartheid system in South Africa.

Li Peng arrived here Sunday afternoon as the Chinese Government's special envoy to the celebrations of Botswana's 20th anniversary of independence.

Trade Agreement Signed

OW291923 Beijing XINHUA in English 1623 GMT 29 Sep 86

[Text] Gaborone, September 29 (XINHUA) -- China and Bostwana signed a trade agreement here this morning.

Under the agreement, the two countries will grant each other the most favoured nation treatment in customs duty and all other duties and taxes applicable to the importation, exportation or transition of commodities.

The agreement was signed by Botswana Minister of Commerce and Industry Moutakgola P.K. Nwako and Chinese Deputy Minister of Foreign Economic Relations and Trade Lu Xuejian on behalf of their respective governments.

According to the agreement, the two governments will also encourage and facilitate the exchange of trade information or visits of trade missions and participation in trade fairs and exhibitions.

Nwako said after the signing ceremony that this agreement will increase the relations and mutual understanding between the two countries.

Li Meets Vice President

OW011813 Beijing XINHUA in English 1604 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Visiting Chinese Vice Premier and Special Envoy of the Chinese Government Li Peng held friendly talks with Botswana Vice President and Minister of Finance and Development Planning Peter Mmusi here this morning.

During their one-hour talks, Li Peng praised the economic achievements made by the Botswana people and government.

Li Peng reiterated China's support for Botswana and other frontline countries in their struggle against apartheid in South Africa. He said China will always stand on the side of Botswana and all the other frontline countries.

Mmusi briefed Li Peng on the economic situation and policies of Botswana, and expressed his gratitude to the guests for China's assistance.

Concerning Botswana's stand on sanctions against South Africa, he said Botswana is not in a position to impose sanctions against South Africa, but Botswana will not oppose or interfere with those who have the ability to do so. "If sanction is the only way to end apartheid, why does it not come?" he added.

Both sides also expressed desire for further development of friendship and cooperation between the two countries.

Economic Agreements Signed

OW011820 Beijing XINHUA in English 1616 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Four economic cooperation documents between China and Botswana were signed here this morning.

The four documents were signed by visiting Chinese Vice-Premier Li Peng and Botswana Vice-President Peter Mmusi on behalf of their respective government.

The four documents are new agreement on economic and technical co-operation, a protocal on renewal of the railway line project, an agreement on Chinese aid of farm machines and an agreement on the moratorium of a Chinese loan.

Under these documents, China will help Botswana renew the 85-kilometer railway line from Francistown up to the border with Zimbabwe, provide a batch of agricultural machines including spare parts, and give a new interest-free loan to Botswana.

China also agreed that the utilization period of the loan provided under the agreement on economic and technical cooperation between China and Botswana signed on August 8, 1976, will be extended for five years to December 31, 1991.

Leaves for Ivory Coast

OW011825 Beijing XINHUA in English 1701 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Chinese Vice-Premier Li Peng left here for Ivory Coast this afternoon at the end of a three-day visit to Botswana.

During his stay here, Li Peng held talks with Botswana President Quett Masire and Vice-President Peter Mmusi on bilateral relations and exchanged views on current world affairs and matters of mutual interest.

This morning, he called on visiting Zambian President Kenneth Kaunda and former Tanzanian President Julius Nyerere. He also met with the U.S. special envoy, President Ronald Reagan's daughter Maureen Reagan Monday.

Li Peng, who arrived here on September 28 as special envoy of the Chinese Government, also attended the celebrations of Botswana's 20th anniversary of independence.

Arrives in Abidjan

OW011953 Beijing XINHUA in English 1944 GMT 1 Oct 86

[Text] Abidjan, October 1 (XINHUA) -- Chinese Vice Premier Li Peng arrived here this evening by special plane for a two-day official visit of friendship to the Ivory Coast at the invitation of its government.

LI XIANNIAN MEETS MALAGASY ASSEMBLY PRESIDENT

OW020926 Beijing XINHUA in English 0900 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- Chinese President Li Xiannian said here today that China hopes the leaders of the United States and the Soviet Union can, through meetings and talks, achieve some progress on such issues as disarmament, relaxation of international tensions and peace.

He said this during a meeting with Lucien Xavier Michel Andrianarahinjaka, president of the National People's Assembly of Madagascar.

They exchanged views on a wide range of subjects, including international issues of common concern and expansion of bilateral relations.

Li said the major tasks, facing the present world are peace and construction. The people of all countries, including the U.S. and the Soviet Union, all hope for peace, he added.

China perseveres in opposing imperialism and hegemonism, and works hard to promote disarmament and safeguard world peace, Li said.

Li stressed that China always stands on the side of the Third World.

Andrianarahinjaka said Madagascar and China share common hopes on internatinal issues.

He said his current visit aims at strengthening friendly relations between the two countries through the channel of their parliaments and getting a first-hand look at China's achievements in opening to the outside world and economic construction.

He conveyed Malagasy President Didier Ratsiraka's congratulations on the 37th anniversary of the founding of the People's Republic of China.

Li asked Andrianarahinjaka to send his regards to the Malagasy president.

Li said there are two types of opening to the outside world. In 1840, the imperialists opened China's door with cannons, thus reducing China to the status of a semi-colony. This kind of "opening" remains fresh in the Chinese people's memory, he added.

The opening China is now carrying out is a conscientious and planned opening to the outside world, he said. Its relations with other countries are those of equality and mutual benefit. Such an opening is conducive to China's prosperity, he noted.

Li also briefed the visitor on China's experience and lessons in economic work over the past 37 years.

The Malagasy visitor said the socialism China is now building accords with China's practical and historical conditions and conforms to the world situation.

Earlier, the wife of the Chinese president, Lin Jiamei, met Ravaomalala Celestine, wife of the Malagasy assembly president.

XI ZHONGXUN ATTENDS KENYAN ENVOY'S FETE

OW291837 Beijing XINHUA in English 1642 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Kenyan Ambassador to China Jeilan Habib gave a return banquet here tonight for the visit to China by the delegation of the Kenya African National Union.

Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, attended the banquet.

Ambassador Habib thanked the Chinese side for the hospitality accorded to the delegation.

David Okiki Amayo, head of the delegation and the union's national chairman, said they felt satisfied with the visit and they have seen in Shanghai and Guangzhou how the hard-working Chinese people are building their homeland.

Xi Zhongxun said the delegation's visit has enhanced the mutual understanding and friendship of the two sides. He believed that with the increasing of visits between the two sides, their friendship and cooperative relations would be surely expanded.

ZHENG TUOBIN SIGNS CAMEROON COOPERATION TREATY

OW261207 Beijing XINHUA in English 1159 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- An agreement on establishing a mixed committee for cooperation between China and Cameroon was signed here today.

Zheng Tuobin, Chinese minister of foreign economic relations and trade and Jean-Baptiste Yonke, Cameroonian minister of agriculture, added their signature to the document.

The agreement sets the tasks for the mixed committee as promoting and coordinating the bilateral cooperation in the economic, technical and trade fields, and exploring ways for the cooperation.

The committee will also examine the development of bilateral cooperative projects and suggest on ways to resolve problems that may arise in cooperation.

Zheng and Yonke also exchanged letters on China's sending a group to Cameroon to study the feasibility of growing vegetables and mushrooms there, and supplying Cameroon with agricultural machinery.

IRAN, OTHERS CONTACT PRC FOR SATELLITE LAUNCHES

OW302000 Beijing XINHUA in English 1544 GMT 30 Sep 86

[Text] Beijing, Sept 30 (XINHUA) -- Seventeen foreign companies have contacted with China on the use of its rocket to launch their satellites. This was disclosed by Wu Keli, deputy general manager of China's Great Wall Industrial Corporation, on this afternoon's Sino-foreign press conference.

The Great Wall Industrial Corporation provides a central channel for the Chinese Astronautic Ministry's foreign economic and trade cooperation. The corporation is solely responsible for the launching of foreign satellites with China's Long March III carrier rocket.

Wu Keli disclosed that his corporation has signed agreements with two American companies and one Swedish corporation on the reservation of satellite launching, and also signed a letter of intent with Iran. He said that two foreign satellites are expected to be launched not later than March in 1988.

The deputy general manager said, the Chinese side will ask the customs to favour the foreign satellites free of inspection. Foreign companies can also convoy their satellites to the launching site with their own personnel, whose safety and work will be ensured together with their satellites by the Chinese guards.

A Chinese official denied the rumour carried by foreign press that China will examine the technical functions of the foreign satellites. "We only insure the launching as its process is nothing of technical import," said Li Qiang, vice president of the People's Insurance Company of China. He said," We provide insurance because we are fully confident of Long March III carrier rocket." "We are able to manufacture satellites we need. For the time being, we have no intention of buying satellites," said the deputy general manager of the Great Wall Industrial Corporation.

IRAQI, ALGERIAN ENVOYS PRESENT CREDENTIALS

OW261005 Beijing XINHUA in English 0755 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- New Iraqi Ambassador to China, Muhammad Amin Ahmad al-Jaff, and new Algerian Ambassador to China, Noureddine Khelladi, presented their credentials to Chinese Vice-President Ulanhu on separate occasions here today. Present on the occasion was Qi Huaiyuan, Chinese assistant foreign minister. The Iraqi diplomat arrived in Beijing on September 18 while the Algerian diplomat September 19.

TV SPECIAL COVERS NPC COMMITTEE SESSION

OW010900 [Editorial Report] Beijing Television Service in Mandarin at 1135 GMT on 26 September begins a 55-minute "special program," entitled "An On-the-spot Report of the 17th Session of the 6th NPC Standing Committee," on the session held in Beijing from 27 August to 5 September 1986. The documentary tape, shown immediately after the regular 35-minute newscast, focuses on the session's debate on the draft bankruptcy law, and shows NPC Standing Committee Chairman Peng Zhen and Committee Vice Chairmen Geng Biao and Peng Chong speaking with Central Television Station reporters in separate undated interviews on the aforementioned debate and on legislative work.

Taped program begins with medium shots of unidentified street scenes in Beijing. This is followed by shots of unidentified NPC Standing Committee members arriving at a conference hall. Then, there are tape captions summarizing the 27 August-5 September work schedule of the 17th Session of the 6th NPC Standing Committee.

The following segments are then shown:

During the first segment, lasting 22.5 minutes, which shows an undated debate on the draft bankruptacy law, 10 speakers are seen and heard pointing out various shortcomings in the law, such as the lack of company and factory laws and the lack of management power for factory directors, while 4 speakers are seen and heard making favorable comments on the draft bankruptcy law. The 10 speakers citing shortcomings in the law are (in order of appearance): NPC Standing Committee Members Gu Dachun and Yang Kebing, Hunan Provincial People's Congress Standing Committee Vice Chairman Huang Daoqi, NPC Standing Committee member Zhang Ruiying, Guizhou Provincial People's Congress Standing Committee Vice Chairman Zhou Yansong, NPC Standing Committee Vice Chairman Rong Yiren, and NPC Standing Committee members Duan Suquan, Han Zheyi, Yang Ligong, and Mo Wenhua. The four speakers who endorse the law are (in order of appearance): NPC Standing Committee members Li Gui, Xu Dixin, He Ying, and Cao Yu. The following NPC Standing Committee vice chairmen are shown (in order of appearance) attending the debate: Chen Pixian, Geng Biao, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Liao Hansheng, and Huang Hua. NPC Standing Committee Secretary General Wang Hanbin is also shown attending the debate. This segment lasts 22.5 minutes.

The second segment, which lasts 1.5 minutes, shows NPC Standing Committee Vice Chairmen Rong Yiren and Peng Chong speaking with several unidentified Standing Committee members during an undated recess of the 17th session.

The third segment, lasting 4 minutes, shows NPC Standing Committee Vice Chairman Geng Biao praising the aforementioned debate as "giving full play to democracy," in an interview with a Central Television Station reporter during an undated recess. Geng Biao is also seen and heard saying that the draft bankrupatcy law must be handled with "great care."

The fourth segment, which lasts 7.5 minutes, shows NPC Standing Committee members He Ying, Yang Kebing, Cao Yu, and Zhang Zhen discussing, during an undated meeting of the session, the importance of promoting various reforms and the importance of having a copyright law. NPC Standing Committee Vice Chairmen Peng Chong, Chen Pixian, Geng Biao, and Zhu Xuefan are shown attending the meeting. Supreme People's Court President Zheng Tianxiang and Supreme People's Procurator General Yang Yichen, although neither mentioned by the announcer nor identified by captions, are seen attending the meeting.

The fifth segment, which lasts 1.5 minutes, shows NPC Standing Committee Vice Chairman Peng Chong praising the aforementioned debate as "giving full play to democracy," in an interview with a Central Television Station reporter, held in the presence of NPC Standing Committee Vice Chairman Geng Biao, during an undated recess.

The sixth segment, which lasts 3.5 minutes, shows NPC Standing Committee Vice Chairman Peng Chong, in a speech at an undated meeting, praising the aforementioned debate and announcing the 17th session's decision not to take a vote on the draft bankruptcy law. NPC Standing Committee Vice Chairman Chen Pixian and committee Secretary General Wang Hanbin are shown attending the meeting.

The seventh segment, which lasts 4.5 minutes, shows NPC Standing Committee Chairman Peng Zhen praising committee members for "adopting a practical and realistic approach to various issues" during his speech at an undated meeting of the 17th session. The program shows the following NPC Standing Committee Vice Chairman (in order of appearance) attending the meeting: Chen Pixian, Xu Deheng, Peng Chong, Ngapoi Ngawang Jigme, Zhou Gucheng, Rong Yiren, Liao Hansheng, Geng Biao, Zhu Xuefan, Seypidin, Yan Jici, and Huang Hua. Committee Secretary General Wang Hanbin is also seen attending the meeting. The tape also shows the regulations regarding the punishment of public security violators and the regulations regarding diplomatic privileges and immunities being voted through at the meeting.

The eighth segment, 8.5 minutes, the last segment of this documentary tape, shows NPC Standing Committee Chairman Peng Zhen discussing legislative work during an updated interview with a reporter of the Central Television Station.

CENTRAL TV STATION INTERVIEWS PENG ZHEN

OW290955 Beijing Television Service in Mandarin 1135 GMT 26 Sep 86

[Interview with NPC Standing Committee Chairman Peng Zhen by an unidentified reporter of the Central Television Station; date and place not given -- recorded]

[Text] [Reporter] Chairman Peng Zhen, our station wants to use this interview to introduce our viewers to the day-to-day legislative work of the NPC Standing Committee. This is an important aspect of publicizing our country's efforts to strengthen democracy and the legal system. Chairman Peng Zhen, would you please say a few words to our viewers.

[Peng Zhen] You mean about legislative work?

[Reporter] Yes.

[Peng Zhen] Enacting legislation is a more serious business than enforcing laws. First, we must be very familiar with the Constitution and laws. The Constitution is our fundamental law and all other laws must be based on it. Laws reflect the actual conditions and, at the same time, have a system of their own. They should not contradict one another. The law adopted today should not contradict the one adopted yesterday.

[Reporter] It requires a high degree of stability.

[Peng Zhen] That's right. For example, let's assume that a meeting adopts several laws, one dealing with public security, another dealing with the economy, and so on. If they contradict one another, how are you going to enforce them? Laws must have an integrated system of their own. Whatever law is adopted in the future in China should be in line with the Constitution. This is the first point. The second part is that they must have an understanding of the situation.

[Reporter — interrupting] Seeking truth from facts.

[Peng Zhen] That's right. Seeking truth from facts. Seeking truth from facts is a principle. The most important thing is to proceed from the actual conditions. If you do not have a systematic, comprehensive understanding of the situation, how can you legislate? The law, once enacted, is to be observed by one billion people. Everyone — whether he is a party member, cadre, worker, peasant, or intellectual, and irrespective of his nationality — must observe the law. If you do not have a comprehensive understanding of the situation, how can you legislate? Legislative work is a serious business. Enforcing laws is also a serious matter. If laws are not enforced, what is the use of having them? They would become mere scraps of paper, wouldn't they? Enacting legislation, first of all, should be a serious business. Therefore, legislators must not think that since they have legislative power, if they write a few articles, others must observe them. It is not right. They must be very...

[Reporter -- interupting] Cautious.

[Peng Zhen] Modest and prudent. By modest we mean listening to the opinions of all sectors. By prudence we mean that the law must conform to the actual conditions. Therefore, by seeking truth from facts, we mean the integration of the Constitution and the actual conditions. The interests of the masses are the fundamental interests of the overwhelming majority of people of all nationalities in our country. They are the common interests. There are also special partial interests. There is a general character as well as a specific character. This is the actual situation. Therefore, our laws should not be too rigid. We should not adopt a rigid law which disregards special local conditions. Our country has a total area of 9.6 million square kilometers extending from Jolmo Lungma to the seas and from the subtropics to the frigid zone. Economic, social, political, and cultural developments are so imbalanced. If you do not understand the national situation, how are you going to enact legislation? Therefore, legislators must have a comprehensive, systematic understanding of the situation. For example, as a member of the NPC Standing Committee, I have the right to speak at the Standing Committee. Since you have the right to speak and since you are a member of the NPC Standing Committee elected by the NPC, you should make sure that your remarks and opinions are in accordance with the needs of the people.

[Reporter] Chairman Peng Zhen, we understand that as a matter of fact, not every draft law submitted to the NPC Standing Committee for consideration is adopted after one examination, and that this is normal in the legislative procedure according to the Constitution and relevant laws.

[Peng Zhen] Not only is it often the case that a law cannot be adopted after one examination, but perhaps two, three, or five examinations are required it is adopted. Take the Constitution as an example. How many meetings did we hold? The first meeting officially formulated it. The second meeting lasted 9 days. Then there were the third and fourth meetings. Finally, it was submitted to a meeting for revision. Several dozens of revisions were made, including major revisions.

At the meeting, some deputies proposed that intellectuals be described as a separate group, especially in view of the discrimination against intellectuals during a certain period in the past, for example the period of the Cultural Revolution. For this reason, some deputies said at the meeting that there should be three forces: workers, peasants, and intellectuals. But they are not classes. This is...

[Reporter -- interrupting] So much the better. After careful revisions, our Constitution is regarded by the world as the best constitution of our country.

[Peng Zhen] I think it is not only the best constitution of our country, but in all countries of the world, it is also...

[Reporter -- interrupting] Comparatively good.

[Peng Zhen] It it is not the best one, it should be one of the best. Anyway it is comparatively good.

[Reporter] Yes, yes, yes. Our country's legislative work has made considerable progress since the 3d Plenary Session of the 11th CPC Central Committee. Now people both at home and abroad say that we have entered a golden era of legislation and have done a great deal of work in this respect.

[Peng Zhen] I am not clear as to whether it is a golden or a silver period. [laughter] All in all, our legislative work now has a foundation. Generally speaking, we have the foundation of the legal system, the foundation of laws, and also the basic laws. We have to continue our efforts, however, because there are many more laws which we have to formulate. With the reforms of our economic structure and political system, now questions are, of course, expected to arise in the course of reforms. You should formulate laws in accordance with the changing situation. So the legislative responsibility is very heavy. The question is very simple. According to Marxism, the development of productive forces determines the relations of production, which, in turn, determines the superstructure. With the development of productive forces, the relations of production should be changed, and consequently so should the superstructure. If you do not change them, you cannot meet the developmental needs of productive forces. No matter what tortuous paths we have traversed since our People's Republic was founded, we have made considerable progress in all fields, including he economic, political, and cultural fields. We have an independent industrial system and an independent economic system. This means we have made great developments. How can you still use the previous methods? With the development of productive forces, the economic system should be reformed. This is also true of the political system and all other components of the superstructure. As to whether we are in a golden era, I cannot say with certainty. To sum up, we have only a foundation for laws, and in the days to come, the legislative task will be very heavy.

[Reporter] Our respectable chairman, thank you for granting us this interview.

NPC LEADERS VIEW SPIRITUAL CIVILIZATION GUIDANCE

OW010121 Beijing XINHUA Domestic Service in Chinese 1436 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- Members of the NPC Standing Committee and various NPC special committees and cadres of various organs under the NPC Standing Committee in Beijing held a meeting at the Great Hall of the People this morning to disseminate the guidelines set by the 6th Plenary Session of the 12th CPC Central Committee and made arrangements to study and discuss the CPC Central Committee resolution on the guiding principles for building a socialist spiritual civilization.

Peng Zhen, chairman of the NPC Standing Committee, attended and addressed the meeting.

This meeting was held on the basis of a decision made at the NPC Standing Committee chairmanship meeting convened yesterday afternoon.

At the meeting NPC Standing Committee Vice Chairman Chen Pixian reported on the situation at the 6th Plenary Session of the 12th CPC Central Committee and the main points of the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization. He said: CPC Central Committee members attending the 6th Plenary Session of the 12th CPC Central Committee and members of the Central Advisory Commission and the Central Discipline Inspection Commission who attended the session as observers held that this resolution not only embodied and carried forward the guidelines laid down by the 12th national party congress and summed up fresh experience gained since the congress, but also summed up the experiences over the 30-odd years since the founding of the nation.

Chen Pixian said: If we fail to fully realize the pressing need and protracted nature of strengthening the building of socialist spiritual civilization, we may adversely affect the overall situation. This resolution provides clear and definite answers to some major issues of fundamental importance. It will definitely wield a tremendous and profound influence on reaching a common understanding in the party, promoting the building of the two civilizations, promoting all-round reform and the implementation of the policy of opening the country to the outside world, and building socialism with Chinese characteristics.

Chen Pixian said: To earnestly study the document is an important task at present. In studying the document, we should sum up our experience and find out where we had not done enough study, so that we can raise our ideological level and improve our work.

NPC Standing Committee Chairman Peng Zhen delivered a speech at the meeting. He said: The spiritual civilization we talk about is a socialist one. Strengthening the construction of socialist spiritual civilization is an important issue that our party now needs to settle. This is also an important issue that our state and people of all nationalities need to solve. How can we settle this issue? The resolution adopted by the 6th Plenary Session of the 12 CPC Central Committee put forward the guiding principles. The contents of the resolution are in keeping with the spirit of the Constitution. The aim of both our party and state organs is to wholeheartedly serve the people. Therefore, we must consider problems and make decisions on the basis of the objective laws governing the development of history and in the best interest of the overwhelming majority of the people of all nationalities throughout the country. We, members of the NPC Standing Committee and various NPC special committees and staffs of the various organs under the NPC Standing Committee, must earnestly study and discuss the document. First of all, we must clearly understand the guiding principle for building a socialist spiritual civilization. Once we have done so it will be easier for us to solve specific problems. Reaching a common understanding on strengthening the construction of a socialist spiritual civilization will be greatly conducive to our work.

The meeting was presided over by NPC Standing Committee Vice Chairman Geng Biao. Also present at the meeting were Vice Chairmen of the NPC Standing Committee Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, and Chu Tunan.

MILITARY COMMISSION DISCUSSES CPC RESOLUTION

OW010357 Beijing XINHUA Domestic Service in Chinese 1657 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- The CPC Central Committee Central Military Commission convened a meeting of responsible comrades of major army units on 29 September to discuss and to study and implement the spirit of the 6th Plenary Session of the 12th CPC Central Committee. The meeting affirmed that the study and implementation of the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization" are major tasks for the whole Army in the present period, as well as in the future.

Yang Shangkun, permanent vice chairman of the CPC Central Committee Central Military Commission, presided over the meeting. Yu Qiuli, director of the PLA General Political Department, reported on the study and implementation of the spirit of the 6th Plenary Session of the 12th CPC Central Committee. Yang Dezhi, chief of the PLA General Staff, and Hong Xuezhi, director of the PLA General Logistics Department, attended the meeting.

In his report Yu Qiuli said that the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee further defined the strategic position of building of spiritual civilization and the direction and goal of the struggle for this. It will certainly and greatly promote the nation's building of socialist spiritual civilization and have a far-reaching influence on the development of modernization as a whole. The resolution gave high marks to our army's fostering spiritual civilization and simultaneously called on us to make fresh efforts. Comrades in the whole Army should link thinking with practical work and seriously study and unwaveringly implement the resolution. Practical results should be stressed in studying the resolution. We should avoid formalism, let alone study in perfunctiory and superficial ways. Through study we should further define the strategic significance, principle, and tasks of building spiritual civilization and define the demands that the resolution made on the party members, cadres, and the masses and the responsibility of the army and individual.

Yu Qiuli offered five suggestions regarding the Army's implementation of the spirit of the 6th Plenary Session of the 12th CPC Central Committee, strengthening of ideological and political work, and building spiritual civilization: First, we should step up the theoretical study of Marxism, giving full play to the guiding role of Marxism in building spiritual civilization. Second, we should conduct in-depth education on ideals and ethics, in order to raise ideological awareness and moral standard among cadres and fighters. The great discussion on the correct handling of soldiers' gains and losses now underway in the Army is a kind of vivid and practical way to conduct education on ideals and ethics and building spiritual civilization in the army. Third, we should persist in managing the Army with strictness and stepping up disciplinary and legal education in the army. Strengthening the disciplinary and legal system and enhancing the conception of law and discipline in the minds of cadres and fighters should be treated as important issues in the Army's building of spiritual civilization. Fourth, we should strengthen cultural construction in the army, raising scientific and cultural quality among cadres and fighters. Fifth, we should further carry on joint army-people activities in building spiritual civilization, actively taking part in the nation's building of spiritual civilization and further strengthening relations between the army and the government and the Army and the people.

Yang Shangkun pointed out: In order to study the resolution well we should stress raising the comprehension level, unifying thinking, and deepening understanding of the resolution. There is no rush to solve concrete issues.

Attention should be paid to social trends and reflections thereof in the Army when studying and implementing the resolution. We should, through studying the resolution, have a better understanding of the party's line, principle, and policy adopted since the 3rd Plenary Session of the 11th CPC Central Committee and consciously uphold the four cardinal principles.

TA KUNG PAO WELCOMES CPC PLENARY RESOLUTION

HK020444 Hong Kong TA KUNG PAO in English 2-8 Oct 86 p 2

[From the "The Past Week" column: "CPC Plenum"]

[Text] After scoring impressive achievements in the eight years since it was launched, it became evident this summer that further progress in China's economic reform would be difficult without an overhaul of the country's political system.

The past week saw a third thrust to expedite the country's ambitious modernization drive, namely, a national effort to consolidate and boost socialist consciousness.

The chief task of this effort, called 'building the spiritual civilization of socialism' in contemporary Chinese political parlance, is no less than undertaking to educate the world's largest population into cultured and law-abiding citizens with fine ideals and morality. Of special importance in this broad outline of objectives is the moral ingredient and a higher level of cultural and scientific pursuits.

It can be seen that since a new leaf was turned in the modern history of China following the watershed 3d Plenum of the CPC's 11th Central Committee held towards the end of 1978, the national priority has been set on invigorating the stilted and backward economy. The goals set so far have concentrated on the material side of the national life such as quadrupling the country's per-capita income by the end of the present century, and quadrupling this figure (U.S. $1,000) again to U.S. $4,000 during the first 50 years of the next century.

The call to boost the 'spiritual civilization of socialism' embraces a wide spectrum of non-economic endeavours such as education, science, culture, health and sanitation, as well as sports and physical education.

As Beijing sees it, the pursuit of these endeavours will have a far-reaching effect on the socialist modernization program. The gains in many areas have not allayed fears raised by accompanying problems such as corruption, abuse of power, and criminal offences unheard of since the founding of the PRC.

The higher moral and intellectual standards will also clear the way for the coming political reform which, in all probability, will be dealt with at the largest-ever 13th Congress of the CPC scheduled for September next year.

STATE ECONOMIC COMMISSION URGES MORE PRODUCTION

OW220822 Beijing XINHUA in English 0711 GMT 22 Sep 86

[Text] Beijing, September 22 (XINHUA) -- Disappointed because the economy's performance has not met projections this year China's State Economic Commission has urged municipalities and government departments to help local industries during the last quarter of 1986.

An official of the commission said China's industrial output has risen steadily this year but the general situation has not met expectations.

The official said in order to get better year end results planning for the last quarter must begin now.

The State Economic Commission has worked out an overall production plan with industries involved in machine building, consumer production, textiles and the commercial ministries over the last few days.

"To make an improvement in industrial production," the official said, "the key is to rearrange the product mix in line with market needs. We also must invigorate sales while continuously improving our products' quality and reducing material costs."

Municipalities and government departments have been urged to aid the production of more than 100 products that are much in demand. A list of these products was developed by the commission.

According to the official, the municipal government of Shanghai has helped industrial output by allocating 20 million yuan for the production of more than 1,000 products that are in short supply. Tianjin, a leading port city in north China, will help to expand production of more than 200 different products.

RENMIN RIBAO REPORTS DROP IN PRIVATE ENTERPRISES

HK2912378 Beijing RENMIN RIBAO in Chinese 27 Sep 86 p 2

[Report by Jia Ruiling (6328 3843 3781): "Why Is the Number of Private Industrial and Commercial Enterprises on the Decrease?"]

[Text] At a preparatory meeting for the organization of a national individual laborers association which concluded not long ago, the participants focused their attention on this information: In the first half of this year, the number of individual industrial and commercial households dropped by 360,000, totaling 460,000 people, from their number at the end of last year. It has been reported that apart from the rational readjustment of individual industrial and commercial enterprises, the decrease has been due to the following main reasons:

First, these individual industrial and commercial households have found it difficult to look for the necessary raw materials and operational markets, apart from being seriously short of funds. Take Hohhot City in Nei Monggol as an example. Due to the dissolving of 3 large markets in the last 3 years, some 700 licensed individual households have been unable to continue their operations.

Second, too many fines and deductions have added to the burden of private enterprises. Influenced by old ideas, many people have prejudices against those engaged in private commerce, and in some localities their legal rights and interests are not ensured. In some regions, individual industrial and commercial households must pay 17 to 18 types of fees. This has added to their burden.

Third, overly strict and rigid limitations have been imposed on the commencement of individual industrial and commercial households. Some provinces have even demanded these households not commence business until they have refrigerators and storehouses.

The participants maintained that the relevant departments should pay attention to this situation and find appropriate methods to solve the problems so as to promote the healthy development of individual industrial and commercial households.

DESIGNATED INDUSTRIES TO SERVE AS EXPORT CENTERS

HK010534 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24 Sep 86 p 3

[By Xiao Da]

[Text] China has designated 96 of its most technically advanced industries as centres for manufacture of export-oriented mechanical and electrical products.

These industries have been authorized to hold direct business talks with foreign companies, sign contracts, set prices and decide how to use the foreign currency they earn.

They will also have State support through low-interest loans and access to advanced technology.

Given such preferential treatment, these industries hope to produce high-standard products suitable to international market demand.

In addition, 261 other industries have also been granted power to determine prices and production management.

The Mechanical and Electrical Productions Export Office of the State Council has been set up to conduct planning and overall management of the new export centres.

A senior official of the office said China's exports of mechanical and electrical products had been very small in quantity in recent years. In 1985, they totalled only about $1.7 billion, 6 percent of China total exports.

Proposed products for export mainly include machine tools, electrical machinery, manufactured metal products, transport and telecommunications equipment.

At present, export flows chiefly to Southeast Asia and Third World countries. However, China is now aiming at markets in Western Europe and North America.

"We are now seeking to open up these new markets and use advertisements to attract buyers, instead of merely waiting for orders," said the official. "We are establishing world-wide selling, service and business information networks."

Establishing sino-foreign joint ventures has long been a goal of State-authorized industrial centres, yet problems -- such as shortages of raw materials, energy and water -- have hindered success. Poor transport communications and foreign currency difficulties are also unfavourable of the foreign investor.

According to the official, the State Council is going to set up another office to handle these problems.

INTERVIEW WITH LIU HONGRU OF PEOPLE'S BANK

HK010905 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 pp 7-8

["Feature" by LIAOWANG reporter Zhu Minzhi (2612 2404 0037): "Liu Hongru, Vice President of People's Bank of China, Tells How China Pushes Reform of the Financial System"]

[Excerpts] Editor's note: What is China's financial situation? What reforms will be carried out in the near future? These are questions attracting peoples attention both at home and abroad. Our journal now carries a special report on this subject.

Some initial results have been achieved in China's reform of the financial system, which started some 7 years ago, but it is still not as good as people expected. How do we solve problems such as the inflexible macro financial control, the vertical allocation of funds, which is obstructing our economic development, and the low returns in using funds? Premier Zhao Ziyang has expressed China's intention of speeding up reform of the financial system, and the People's Bank of China has suggested a plan for the reform in the next 5 years. During the next 2 years, China will chiefly grasp the following: Setting up a financial market, promoting the process of running professional banks as enterprises, and improving macro financial control. Recently, China has been making great efforts to develop inter-bank loans and establish a discount market so as to guide its financial business onto the correct path.

Reform of the foreign exchange system will be a long-term task for China in the financial reform. There are already some tentative ideas for the next 2 years, such as enlivening and gradually opening the foreign exchange market, establishing a foreign exchange reserve fund, and strengthening foreign debt control.

On the mainland, the first stock market was opened in Shenyang. Its emergence has aroused a lot of attention in economic circles. [end editor's note]

Recently, this reporter had an interview with Liu Hongru, vice president of the People's Bank of China and vice chairman of its council. When answering questions raised by this reporter, the economist made an analysis of China's financial situation and talked about the next step China will take in the reform. There were many new things in what he said.

Liu Hongru studied economics in Moscow University in the 1950s and received an associate doctoral degree. Having been involved in financial work for more than 30 years, he is familiar with the financial systems of the Soviet Union and East European countries and has a sound knowledge about those of Western countries. He has made positive efforts both in the theoretical field and in practice to push forward China's reform of the financial system.

The Process and Problems of Reform [subhead]

Liu Hongru said: The reform of the financial system started in 1979, following the development of China's commodity economy. The reform began with extending the range of credit and improving the management of funds.

Restrictions on extending credit were lifted for more units, the unitary form of bank credit was changed, and commercial credit and credit for consumption purposes were extended on a trial basis; the foreign exchange management system was reformed, and external financial business expended; the internal insurance business was restored, and an insurance indemnity system was established. With respect to financial organizations, four professional banks as well as other financial organizations, such as credit and investment companies and credit cooperatives, were established and developed step by step. At the same time, a central banking system was established, under which the People's Bank of China performs the function of the central bank, leading and managing the financial affairs of the whole country. Liu Hongru held that these measures played an important role in enlivening the economy and promoting China's economic development and opening up to the outside world. [passage omitted]

General Plan for Reform in the Seventh 5-Year Plan Has Been Worked Out [subhead]

When asked about the general demands and target of reform of the financial system during the Seventh 5-Year Plan, Liu Hongru emphasized: Reform of the financial system during this period is a very important part of reform of the entire economic structure. This is because China's economy is turning from the pattern of direct control into that of indirect control, and finance is one of the most important and most effective means of indirect control, which will naturally play an extremely important role in developing the socialist commodity economy. Therefore, the Seventh 5-Year Plan will be a key one for China's financial development. [passage omitted]

The Reforms To Be Carried Out in the Next 2 Years [subhead]

What are the concrete plans for financial reform in the next 2 years according to the general demand on reform of the financial system during the period of the Seventh 5-Year Plan, and what is the main task? Liu Hongru was asked to day something about this.

He said: There is much to be done in carrying out reform of the financial system and we must do it in order of importance and step by step. The main task for the next 2 years is to further promote the financial reform by running the professional banks as we run enterprises and improving macro financial regulation and control in the new financial market.

On the question of further perfecting the macro financial control system in the next 2 years, Liu Hongru said: The macro control system of the central bank is the pillar of the macro financial management. It includes the objective of the monetary policy and the use of regulatory measures. Over the past 2 years or so, we have adopted some interim measures in this respect. For example, the central bank has changed its control of cash gradually into the control of both money supply and the general scope of credit so as to promote the transition of the macro financial control system into one of indirect regulation and control chiefly by means of controlling money supply. In future, the professional banks must try their best to absorb funds rather than relying on the central bank as in the past. The credit extended by the central ank to various professional banks is an important channel for controlling the money market. Since China's money market has just been opened and the mechanism of macro monetary control still cannot work effectively, administrative measures must continue to used in macro regulation and control for the time being. Meanwhile, with the popularization of commercial bills, the proportion of issuing and withdrawing basic currencies through discount will also increase day by day; open market business will also gradually develop along with the establishment and development of the money market. They will occupy an important position in the control system of the central bank.

Liu Hongru continued: In the near future, efforts will also be made to further improve the system of interest rates. He said: Through the initial reform, this system has begun to play a regulatory role in this respect. Last year, the interest rate on savings deposits was raised twice, which played a positive role in promoting the constant growth of savings deposits and expanding monetary resources. But since China's current interest rate is still low, its role as a lever and its regulatory role in the monetary structure and industrial setup have not been fully exploited. [passage omitted]

A Money Market Is Being Established in China [subhead]

At present, people are showing great interest in the formation of China's money market. Liu Hongru once wrote an article to express his views on this question. This reporter asked him to say something about the People's Bank of China's plan on establishing the money market.

Liu Hongru said: In China, the main method of accommodation of funds is indirect accommodation (that is, accommodation through banks), which is supplemented by the method of direct accommodation (accommodation between enterprises). Both methods are inseparable from the money market, which is an important condition for perfecting the commodity market and the basis for macro monetary control. One of the main tasks for the current reform of the financial system is to gradually open the short-term money market.

How do we establish a money market with distinctive Chinese characteristics? What kind of money market can we begin to establish at present? Liu Hongru held that this is a complicated problem which needs to be further discussed. What we can start doing at present are the following two jobs: 1) Developing the business of inter-bank loans. In the near future, it will be necessary to promote the formation of the markets of inter-bank loans, commercial paper, and bonds. At present, in some key cities such as Wuhan, Shanghai, Shenyang, and Guangzhou, the business of inter-bank loans has been promoted and some bill exchange centers have been set up on a trial basis, which are playing very good roles in speeding up the circulation of funds and raising the efficiency of using funds. 2) Establishing the bill discount market. It will be necessary to vigorously promote the business of commercial paper and bank notes so that commercial and bank credit can be built on this basis. The professional banks will promote the bill discount business in an all-round way, and the central bank will promote the business of inter-bank discount business, so that the flow of funds among the banks, the enterprises, and between the banks and the enterprises can be based on bills and so that bill discount and mortgage can become the main forms of loan. At the same time, a second-class market will be established on a trial basis for the exchange and transfer of bills and will be gradually developed into a clearing market. [passage omitted]

In conclusion, Liu Hongru told the reporter that the Seventh 5-Year Plan has opened a new and arduous task for financial work. We will do our best to build up some funds and use them in a reasonable way so as to create a comparatively relaxed environment for our economic construction during the Seventh 5-Year Plan period and reform of the economic structure so as to ensure the smooth progress of our economic development.

NEW GRAIN HARVEST TO BE HIGHER THAN 1985

OW260120 Beijing XINHUA in English 1738 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- China's grain harvest this year will be higher than last year, and next only to the all-time high of 400 million tons in 1984.

Peasants have reaped good harvests of summer grains, mainly wheat, and early rice. Autumn grain crops, including late rice, maize and soy beans, are growing well in most parts of the country.

Chinese peasants have achieved an all-round good harvest this year by overcoming droughts in the south and flooding in the north, according to the Ministry of Agriculture, Animal Husbandry and Fisheries.

A ministry official said, "The country's output of cotton and sugar-gearing crops this year will be less than last year's, as a result of planned reduction in sown acreage."

But cultivation of such cash crops as oil-bearing crops, tea, ramie, melons, fruit and vegetables is growing rapidly. The state has limited production of jute, hemp and cured tobacco because they are now in excessive supply, and peasants will meet state quotas for these crops.

The official said that the good harvest is due largely to new government policies and measures to arouse peasant production initiative. For example, the country's grain-sown area this year is 1.33 million hectares more than last year.

SKILLED WORKERS PRAISED AS 'PEOPLE OF TALENT'

HK250123 Beijing RENMIN RIBAO in Chinese 22 Sep 86 p 1

[Text] To show respect for knowledge and people of talent is a new manifestation in the social civilization gradually formed in our country over recent years. On this question, the majority of people in our country have a unified understanding. However, people still have different opinions on what kind of people should be considered as people of talent. One opinion holds that people of talent are intellectuals and experts; some people even think that people with academic qualifications, such as university, college and polytechnic school graduates, are considered as people of talent. Another opinion believes that people of talent are divided into several levels: The people with outstanding talent who can make great contributions to society; the intellectuals with real ability and learning; and the administrative cadres and skilled workers without university or college qualifications who have rich practical experience and a standard equivalent to that of a university or college qualification. In comparison, the second opinion is more comprehensive. At present, we should particularly stress the opinion that skilled workers are also people of talent.

Over the past few years, because of our negligence in training technical personnel, there has been a serious shortage of senior mechanics. Such a situation has already directly affected the quality of the workers' contingent and enterprises and hindered our econoimc development. Senior mechanics are an important technological force in enterprises and can play a role which cannot be replaced by ordinary technical personnel in highly difficult production and processing; in readjusting and repairing complex equipment; in analysing and solving production and technological proglems; in preventing and eliminating the hidden danger of accidents; and other aspects. [paragraph continues]

As far as the administration of production organizations is concerned, senior mechanics are not only advisers to the workshop heads and section chiefs, but also assistants to the engineers and technicians as well as teachers who give instructions to junior and intermediate technical personnel. Only by possessing excellent administrative and management personnel, competent engineers and technicians and well trained skilled workers, can an enterprise form a rational personnel structure and bring into full play the benefits of an entire collective intelligence.

In modern industries, skilled workers are intelligent workers doing both mental and physical labor. When showing respect to knowledge and people of talent, we should not only greatly value and develop the role of intellectuals, but should also equally value and develop the role of senior mechanics and skillful craftsmen. This should become one of our firm and unshakable policies.

A pressing current matter is to settle a series of questions for accelerating seniro mechanics' training with relevant policies, systems, and measurs. For example, of possible, we should establish a system for worker-technicians as soon as possibe and an examination system should also be adopted to promote outstanding skilled workers to senior mechanics. Currently, many workers are engaged in in-service or part-time studies in order to obtain some sort of academic qualifications, such as a diploma or the like, so that in the future they will have a chance to escape from the workers' contingent. Once a system for worker-technicians is established, we will be able to guide the workers to study with the purpose of strengthening their own working ability in their practical work. At the same time, we should study and establish special channels to train senior mechanics, including the establishment of training centers in cities or production departments. After joining enterprises, workers will work under a set of complete examination and promotion systems and in-service education systems. Besides, the social status of skilled workers should also be raised and nationwide technical competitions should be organized. Winners of the technical competitions should be selected to take part in international technical competitions so that the whole society will recognize their skills and contributions, and a mood of showing respect to skilled workers will gradually be formed in the society.

RENMIN RIBAO COMMENDS CHONGWEN ON WORK ETHIC

HK260751 Beijing RENMIN RIBAO in Chinese 23 Sep 86 p 1

[Commentator's article: "Doing Something Occasionally and Doing Something Persistently"]

[Text] It is much easier to hold empty talks than to do solid things. It is relatively easy to do a couple of concrete things in a year or half a year. However, it is not easy at all to develop the practice of getting work accomplished a kind of work ethic, or maintain it for as long as 8 or 10 years, or pass it down from one term of office to another. The most praiseworthy point of the practice of the leading party and government organs of the Chongwen District of Beijing Municipality of doing concrete things for the residents is that they have been accomplishing things regularly rather than occasionally for many years and have turned this practice into a valuable tradition.

Our party always demands that the party organizations at all levels and the party-member cadres talk less and do more. This is by no means a casual demand but a principle determined by the party's proletarian quality as well as its aim of serving the people. Only when the party organizations at every level persist in accomplishing actual things for the people in a down-to-earth, cautious, and conscientious manner can they gain the trust and support of the people and do their work well.

Nevertheless, there is a real difference between "doing solid things occasionally" and "doing solid things persistently." Urged by a kind of momentary enthusiasm or the mentality of seeking popularity by doing something sensational and boosting the "achievements of their official career," at some opportune times (say, during a "particular" month or before a "particular" festival), some party organizations and cadres can promptly do several splendid things. However, it seems impossible for them to persist in doing good and real things for the people.

In promoting doing solid things for the people, we do not mean to promote making pretentious postures of courting publicity. Therefore, it is necessary for us to have "the spirit of willingly serving the young and weak" and really share "the common weal and woe with the masses," just like the comrades do in Chongwen District. With such a spirit, we can personally experience the sufferings of the masses and have a sense of urgency to do actual things for them, so as to keep doing these solid things and make it a prevailing custom.

LIAO MOSHA'S 'CONFESSIONS' TO BE PUBLISHED SOON

HK010823 Hong Kong ZHONGGUO XINHWEN SHE in Chinese 1555 GMT 29 Sep 86

[Report: "Liao Mosha's 'Confessions' During the 'Cultural Revolution' Included in His Collected Works"]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE) -- Liao Mosha's "Confessions" during the Cultural Revolution running to scores of thousands of characters, have been included in the four-volume "Collected Works of Liao Mosha," which will soon be published by the Beijing Publishing House.

Liao Mosha is the only survivor of the "Three-Family Village" [writers Deng Tuo, Wu Han, and Liao Mosha] ruthlessly persecuted by the Lin Biao and Jiang Qing cliques during the Great Cultural Revolution. Given under a general heading, "Random Notes by a Person Caught in a Trap," the 11 "confessions" fully demonstrate the special features of essays, with their narratives, comments, self-examinations, and self-defenses.

Written by a well-known essayist who suffered bitterly during the Cultural Revolution, these confessions make good reading. Their publication will provied the later generations with valuable historical material.

The most complete collected works of Liao Mosha to date, the "Collected Works of Liao Mosha" record the principal achievements of his writing career spanning 60 years.

YU QIULI ATTENDS LUO TAN'S MEMORIAL SERVICE

OW240620 Beijing XINHUA Domestic Service in Chinese 1207 GMT 22 Sep 86

[Excerpts] Beijing, 22 Sep (XINHUA) — A ceremony was held this afternoon in the auditorium of the Babaoshan Cemetery for Revolutionaries to pay last respects to the remains of Comrade Luo Tan, an outstanding CPC member, vice minister of the former Sixth Ministry of Machine Building, and member of the ministry's leading party group.

Comrade Luo Tan died of illness on 31 August in Beijing despite longtime medical treatment. He was 71. [passage omitted]

Wreaths were received from Wan Li, Yu Qiuli, Hu Qiaomu, Wang Zhen, Bo Yibo, Gu Mu, Zhang Jingfu, Zhang Aiping, and other leaders.

Attending the ceremony were Yu Qiuli and Duan Junyi, as well as public figures from various circles and comrade Luo Tan's friends, totaling more than 500.

WAN LI INAUGURATES GOLF CLUB; CHEN MUHUA PRESENT

OW290029 Beijing XINHUA Domestic Service in Chinese 1434 GMT 27 Sep 86

[By reporters Li Jinghua and Jiang Qianfeng]

[Excerpt] Beijing, 27 Sep (XINHUA) — Vice Premier Wan Li, a good tennis player, today took up a golf club enthusiastically and teed off to mark the opening ceremony of the Beijing International Golf Club. [passage omitted]

Vice Premier Wan Li and the Japanese Delegate Tatsuo Nakagome cut the ribbon for the opening ceremony. Attending the ribbon-cutting ceremony were Chen Muhua, state councilor; Chen Xitong, mayor of Beijing Municipality; Ichizo Kimura, chairman of the Japanese-Sino Economic and Trade Center Council; and Hajime Onishi, vice chairman of the Council of the Beijing International Golf Club and president of the Japan Golf Development Company.

XI ZHONGXUN, OTHERS AT REUNIFICATION SYMPOSIUM

OW282002 Beijing XINHUA in English 1852 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) — A senior leader of the Chinese Communist party once again called on the third cooperation between Kuomintang and the Chinese Communist Party, and the peaceful reunification of the country under the conception of "one country, two systems" here today.

Speaking at a symposium marking the 100th birthday anniversary of Tan Pingshan, one of the founders and leaders of the Revolutionary Committee of the Chinese Kuomintang (RCCK), Xi Zhongxun, member of the Political Bureau of the Central Committee of CPC said, Mr. Tan's pursuit of materializing the ideal of democracy and peaceful reunification in China represents the common aspiration and demand of the Chinese people.

It is a conclusion from China's history that cooperation between Kuomintang and the Chinese Communist Party is beneficial to each side while division is detrimental to both, he said, citing the first and second cooperations between the two parties for example.

A series of commemorative activities will be held home and abroad this year to mark the 120th birthday anniversary of Dr. Sun Yat-sen, a revolutionary forerunner in China, said Xi.

"We should unite and strive for the reunification of our nation to console and commemorate Dr. Sun Yat-sen and other pioneers who advocated the cooperation between Kuomintang and the Chinese Communist Party and devoted themselves to the country's peaceful reunification like Tan Pingshan," he said.

Tan was vice-chairman of the Central Committee of RCCK and member of the standing committee of NPC. He died in Beijing in April 1956.

Tan joined Tong Meng Hui (the Chinese Revolutionary League) founded by Dr. Sun Yat-sen when he was 19 and became a mamber of the Chinese Communist Party as soon as it was born. He strongly supported and played an active role in the first cooperation between Kuomintang and the CPC (1924-1927) when he was head of the Organization Affairs department of the KMT Central Committee.

Working with Chinese Communists during the following long period, he made remarkable contributions to the cause of peace and democracy in China.

The commemorative gathering was hosted by Zhu Xuefan, vice-chairman of the Standing Committee of NPC and vice-chairman of the Central Committee of RCCK. Among those who made a speech at the meeting were Zhou Gucheng, vice-chairman of the Standing Committee of NPC, and Qu Wu, acting chairman of the Central Committee of RCCK.

Also present were Qiao Shi, member of the Political Bureau and member of the Secretariat of the Central Committee of CPC, Yang Jingren, Qian Changzhao, Ma Wenrui, vice-chairman of CPPCC, leaders of RCCK, Tan's friends and family members and personalities of various circles, which totaled about 200.

XI ZHONGXUN, OTHERS WATCH SHANGHAI KUNSHAN OPERA

OW301107 Shanghai City Service in Mandarin 0100 GMT 29 Sep 86

[Text] The Shanghai Kunshan Opera Troupe, which is currently performing in Beijing, was invited to perform at Zhongnanhai yesterday evening, especially for the central leaders and others who attended the 6th Plenary Session of the 12th CPC Central Committee.

Watching the performance were Xi Zhongxun, Yao Yilin, Chen Pixian, and other central leaders, as well as Shanghai Municipal CPC Secretary Rui Xingwen and Shanghai Mayor Jiang Zemin. They are praised the troupe for its excellent performance.

LI PENG CONGRATULATES SHANDONG COMPANY

SK290745 Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Sep 86

[Excerpt] The All-China Trade Union Council held a ceremony to confer the title of National Advanced Collective on the Shandong No 1 Power Construction Company at the construction site of the Zouxian Power Plant on 28 September.

The council gave a Certificate of 1 May Merit to the company for its outstanding contributions to material and spiritual civilizations. The council called on the staff members and workers throughout the nation to learn from the company to make contributions to the four modernizations at their own posts.

Vice Premier Li Peng, the Ministry of Water Resources and Electric Power, and relevant departments throughout the nation sent messages of congratulations to the company.

The message of congratulation sent by Vice Premier Li Peng states: I hope that you will continue to carry forward the spirit of fearing no difficulties and bravely forging ahead, further strengthen scientific management, bravely do pioneering work and carrying out reform, strengthen spiritual civilization, encourage the broad masses of staff members and workers to enthusiastically and creatively do their work, strice to grasp advanced technology to build more and better modernized power plants, and make efforts to set an example for the power construction units throughout the nation. [passage omitted]

YE FEI FETES OVERSEA CHINESE; LEADERS ATTEND

OW300126 Beijing XINHUA Domestic Service in Chinese 1442 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- Ye Fei, vice chairman of the NPC Standing Committee and chairman of the NPC Overseas Chinese Committee, held a reception in the Great Hall of the People this evening to welcome the Overseas Chinese who have come to Beijing to attend the celebrations for the 37th anniversary of the founding of the republic.

Wan Li, Xi Zhongxun, Fan Yi, Hu Qili, Huang Zhen, Peng Chong, Rong Yiren, Gu Mu and other comrades chatted with the Overseas Chinese from more than 20 countries and regions and compatriots from Taiwan, Hong Kong and Macao as well as representatives of returned overseas Chinese and their families in a happy festive atmosphere. They had group photos taken occassionally to mark the occasion and repeatedly proposed a toast to celebrate the 37th anniversary of the founding of the republic.

In his toast, Ye Fei said: Today, 37 years after the founding of the republic, our country's socialist modernization is vigorously making headway. Making reforms and opening to the outside world have invigorated our state. While we are deepening our economic structural reform, we are also continuously making the political structural reforms to build a highly democratic and efficient socialist political structure with a sound legal systm so as to guarantee and spur on successful economic structural reforms.

Ye Fei said: The Communist Party of China and the Chinese Government pay a lot of attention to Overseas Chinese residing in various parts of the world. We are happy to see that China's present policies and particularly China's policy on Overseas Chinese affairs have been increasingly welcomed and understood by Overseas Chinese. Over the past several years, our Overseas Chinese have made new contributions in expanding friendly relations between China and the countries where they are living and the friendship between the Chinese people and the people of those countries, in undertaking economic, trade and technological cooperation with the motherland and in helping end the divided situation between the mainland and Taiwan. On behalf of the Chinese Government and people, I express heartfelt thanks.

The reception was presided over by Liao Hui, director of the State Council's Overseas Chinese Affairs Office. Zhang Guoji, chairman of All-China Federation of Returned Overseas Chinese, and responsible persons of departments concerned were present at the reception. More than 800 people attended the reception tonight.

FANG YI VISITS SHANDONG PAINTER'S EXHIBIT

OW301101 Beijing XINHUA Domestic Service in Chinese 0842 GMT 29 Sep 86

[Excerpts] Beijing, 29 Sep (XINHUA) — An exhibition of paintings by noted Chinese painter Yu Xining opened today at the Chinese Art Gallery.

Visiting the exhibition were Fan Yi, Yang Chengwu, other leading comrades, and some celebrated personages in painting circles such as Li Keran, Qi Gong, Hua Junwu, and Cai Ruohong. [passage omitted]

Yu Xining is currently a professor at the Shandong Arts Institute, vice chairman of the Shandong Provincial Federation of Literature and Art Circles, and chairman of the Shandong Branch of the Chinese Artists' Association.

The exhibition is being sponsored by the Chinese Art Gallery, the Chinese Artists' Association, and the Cultural Department and other departments of Shandong Province.

TIAN JIYUN FAVORS SIMPLER OPENING CEREMONY

OW010116 Beijing XINHUA Domestic Service in Chinese 1554 GMT 30 Sep 86

[By reporters Huang Zhimin and Xu Xiaoping]

[Excerpts] Beijing, 30 Sep (XINHUA) — The Beijing Daguan Garden was formally opened today, but ribbon-cutting, discharge of firecrackers, and speeches by leading comrades during the ceremony were ommitted. Vice Premier Tian Jiyun, who was present at the ceremony, told XINHUA reporters: Ceremonies should also be reformed. This ceremony today is very good.

The Beijing Daguan Garden, a duplicate of the garden described in the novel "A Dream of the Red Chamber," informally opened in July 1985. [passage omitted]

Tian Jiyun and others toured Yihong Mansion, Xiaoxiang Mansion, and other scenic spots in the garden.

Leading comrades of Beijing Municipality Li Ximing and Chen Xitong attended the opening ceremony.

CIRCULAR ENCOURAGES WATER CONSERVATION PROJECTS

OW011419 Beijing XINHUA Domestic Service in Chinese 1454 GMT 30 Sep 86

[Excerpts] Beijing, 30 Sep (XINHUA) -- The Rural Policy Research Center of the CPC Central Committee and the Ministry of Water Resources and Electric Power issued a joint circular today, calling on all localities to seize the opportunity to arrange and organize construction of water conservancy projects this winter and next spring. [passage omitted]

The circular urged all localities to make early arrangements for building rural water conservancy projects this year and to fulfill the following tasks:

1. Reforms must be upheld. Regulations and measures that no longer fit the countryside's situation brought about by the rural reform should be changed. Efficiency should be stressed in building rural water conservancy projects. To achieve this goal, it is necessary, after carrying out experiments, to formulate new methods of organizing rural water conservancy construction; new economic and technology policies; new policies governing the raising, use, and management of funds; as well as a new system of administering water conservancy projects and new water-saving technology.

2. Peasants should be encouraged to devote greater efforts to agriculture. A labor accumulation system should be established and improve.

3. All localities should establish priorities in light of actual conditions. Some localities should concentrate on restoring, repairing, expanding, and managing their existing water conservancy projects, while other areas that need to build new ones should work out plans in line with local conditions and stress efficiency when implementing these plans.

4. All localities should promptly work out fund raising and material supply plans. To facilitate construction in winter, they may advance part of the funds supplied by the state to lower-level units. To raise the efficiency of investments, it is necessary to use special funds for a special purpose according to plans. Efforts should also be made to improve the methods of using funds.

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BRIEFS

CPCCC RESOLUTION PAMPHLET -- Beijing, 30 Sep (XINHUA) -- The "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization," adopted at the 6th Plenary Session of the 12th CPC Central Committee on 28 September 1986, has been published in pamphlet from by the People's Publishing House. These pamphlets will be on sale at the XINHUA bookstores in Beijing, and throughout the country starting 1 October. The Nationalities Publishing House will publish this book in five minority languages: Mongolian, Tibetan, Uygur, and Kazak languages, and Korean. [Text] [Beijing XINHUA Domestic Service in Chinese 1218 GMT 30 Sep 86 OW]

SATELLITE PICTURES -- A remote-sensing satellite ground station, sponsored by the Chinese Academy of Science Space Center, has produced hundreds of remote-sensing satellite pictures since it went into trial operation at the end of May. According to the assessment of an international conference in Italy, the quality of China's satellite ground station products is among the world's finest. The space center's remote-sensing satellite ground station has become one of the world's few advanced remote-sensing satellite ground stations. Some of the satellite pictures processed by this station have been provided to customers, thereby furnishing scientific data for the purpose of science research and economic development. The station will also provide service to customers from foreign countries as well as from Hong Kong and Macao. [Summary] [Beijing Domestic Service in Mandarin 0900 GMT 20 Sep 86 OW]

QINGHAI CIRCULAR URGES STUDYING CPC RESOLUTION

HK300201 Xining Qinhai Provincial Service in Mandarin 2330 GMT 29 Sep 86

[Excerpts] The Qinghai Provincial CPC Committee issued a circular on 30 September demanding that all areas and departments seriously study the CPC Central Committee's resolution on guiding principles for builiding socialist spiritual civilization.

The circular says: The resolution of the CPC Central Committee on the guiding principles for building spiritual civilization, approved by the 6th Plenary Session of the 12th CPC Central Committee, is another important document following the CPC Central Committee's decision on reform of the economic structure. In accordance with the guidelines of integrating the basic principles of Marxism with Chinese reality, the resolution further expounds on the strategic position, fundamental tasks, and basic guidelines of building socialist spiritual civilization. It is a programmatic document for stepping up the building of socialist spiritual civilization in China in the new period of history. The party committees at all levels must seriously study and resolutely implement the resolution. [passage omitted]

The circular demands that the party organizations at all levels integrate study of the resolution with study of Comrade Hu Yaobang's important speech during his inspection of Qinghai, enhance understanding, unify their thinking, and lead the cadres and masses to spontaneously and enthusiastically plunge into the great cause of building the two civilizations.

On the basis of studying the resolution, all areas and units should carry out thorough investigation and study and formulate views and maesures for implementing the resolution.

The circular also demands that the provincial level propaganda and media units and the propaganda departments of the party committees at all levels regard study and publicity of the resolution as the central task at present and for a time to come. [passage omitted]

XIAN POLICE CRITICIZED AGGRAVATING SCCCER RIOT

HK011337 Hong Kong CHENG MING in Chinese No 108, 1 Oct 86 pp 42, 43

[Report by Chiang Cheng-tzu (3068 1004 1311): "Another Soccer Riot in Xian]

[Text] Last year, there was a riot by soccer hooligans in Beijing on 19 May. Fourteen months later, there was another tremendous riot by soccer hooligans in Xian, but so far the mass media has not reported it at all. In mid-Autumn, I went to Xian to visit my relatives and learned all about the incident from beginning to end.

Exhibition Match Between the State and Shaanxi Provincial Teams [subhead]

Last 19 July, there was a riot of several thousand hooligans in which over 20 vehicles were damaged, 3 females were insulted and injured in public, and it is said that 1 of them later died. After the incident, the authorities arrested 65 people, among whom a 17-year-old male named Wang and another male of 19 were prosecuted as the principle criminals of the incident. According to the city Public Security deparmtnet, "All those arrested are yoiung peoople between 17 and 28."

On the evening of last 19 July, the last match of the second Precious Flower Game, an exhibition match between the State Football Team and the host team — the Shaanxi provincial team — was held at the provincial stadium in the southern suburbs of Xian. In the first half, a goal by the Shaanxi provincial team was ruled invalid by the referee, rousing the protest of all those watching the match in the stadium. For some time, people shouted, "Replace the referee," "Get out, referee." At one corner of the stadium, several hundred people shouted in unison: "One, Two, referee, go to hell." They did not cool down for a long time, but the 200 policemen, finding themselves unable to deal with it, did nothing to interfere.

The match was tied one to one at 2145. According to the regulations, an exhibition match finishes with an even score; the match would not be lengthened, nor would 12-yard kicks be held to determine which team won. But the audience was not satisified and urged that they had to see which team won. Of the 50,000 viewers there, 30,000 would not leave the stadium. After waiting quietly for some time, they lost patience. At about 2200, some of them left the stadium to stop the state team from getting in their vehicle. They shook the vehicle and nearly toppled it, so the driver and passengers jumped off in fear. The state team was forced to withdraw to the stadium rest rooms. Several thousand hooligans rushed down the bleachers onto the football field waving the colored flags they had pulled up from around the court, striking the aluminum plates and blowing the bugles they had brought with them, and shouting loud threats.

At that time the over 200 policemen all came out, wielding their clubs to separate, chase, and beat the crowd. Immediately, five youths were injured and fell unconscious on the ground with bleeding faces. They were soon moved away by the police. The hooligans returned the attack by throwing glass bottles. At about 2215, the hooligans were finally driven from the stadium. The policemen returned to their offices, thinking that they has fulfilled their tasks, but they had no idea that after they left there was an ever worse riot outside the stadium which lasted for 3 and 1/2 hours.

"Throw Stones at Cars and Officials" [subhead]

When the hoolgians were outside the stadium, they found plenty of bricks and stones for weapons, but no police or the state team to fight with. What could they do? They could not stand idle with bricks in their hands. "Throw them at vehicles!" someone shouted. "Yes, why not?" As a result, all vehicles passing by became thier targets. Any vehicle, large or small, was hit by one or two bricks when it entered their range of throws. "Throw them at cars! Throw them at the officials!" another shouted. Trucks there fled quickly. A car of the Xian No 4 Petroleum Instrument Factory came and was stopped by a rain of bricks. The hooligans went near the car and saw that the driver had been hit in the head by a brick and had lost consciousness, a boy of 7 had also been hit in the head and his eyes were bleeding.... In all, over 20 vehicles were hit.

Meanwhile, a fire was built on the other side of the stadium, to which people continued to add fuel such as advertisement boads, colored flags, and anything that could burn.

A few strong hooligans pulled plants from the pots at the gate of the stadium and rolled around the pots, which were 1 meter in diameter and 1 meter high.

Girls' Clothes Torn Off [subhead]

It was midnight, but there were several thousand people around the stadium. People began to feel tired and wanted to look for new excitement. It happened that two girls came by the stadium and a few stones were thrown at them. The girls stopped and called the hooligans names. The hooligans shouted abuse at the girls and surrounded them. Soon the girls' clothes were torn off and countless hands beat and pinched the girs. The girls screeched and struggled for some time, but soon fell unconscious. Later the girls were moved by people into the stadium and examined. Under the light, they saw the girls were bruised all over and everyone there sighed at the sight. An elderly man said: Where are the police? Those sons of bitches are fed by our state for nothing!" After the incident, there was a widespread rumor that one of the girls died at the Qingan Company Hospital in the western suburbs of Xian.

A few minutes later, a young woman, 24, Shi by name, who worked at the West Suburban Electric Power Company, came by bicycle to the stadium to look for her husband. A pot rolled by the hooligans bumped against her and her bicycle fell on the ground. Before she could get to her feet or protest, her clothes were torn off. She shouted,"What are you doing? I have not done anything against you." But the hooligans turned a deaf ear to her. She also was insulted and injured till she lost consciousness. At 0200, she was sent to hospital for treatment. The medical examination showed her perinium and the muscle around her anus rifted and her breasts were full of bruises. She had a transfusion of 500 cubic centimeters of blood. It was not until past 0300 that police wagons came again to the stadium and suppressed the riot.

The Central Authorities Criticized Xian Police [subhead]

After the incident, the Supreme People's Court, the Supreme Procuratorate and the Ministry of Public Security jointly formed an investigation team, which went to Xian in a hurry and brought with it the instruction from the upper level: We should not merely focus on social problems, but should also see the problems inside us. It is said that this meant a criticism against the police in the 19 September incident, who carried out the suppression blindly and thus gave rise to an upgrading of the violence, but who-left the site after rousing the trouble and responded slowly when the situation aggravated. This gave rise to a vicious criminal incident that could have been avoided.

It has been more than a month since the incident, but no judgment has been pronounced. Perhaps, because there was no presence of foreign reporters that day, the newspapers, journals, and radio and television stations have all kept silent about the incident. But it is known to everybody in Xian. I hope the authorities will be fair in handling this case.

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LIAOWANG ON REACTION TO DENG XIAOPING TV REMARKS

HK030730 Beijing LIAOWANG in Chinese No 38, 22 Sep 86, pp 6-7

[Article by Guo Ji (6753 3444): "World Public Opinion Takes Extensive Heed of Deng Xiaoping's Remarks"]

[Text] Since the remarks by Deng Xiaoping, chairman of the CPC Central Advisory Committee, concerning Sino-Soviet and Sino-U.S. relations, and China's reunification, in a television interview with the U.S. Columbia Broadcasting System on 2 September were published, strong repercussions have been evoked among world opinion. The major news agencies in the West and major newspapers in various countries have all reported Deng's talk and published commentaries, holding that the talks are "of great significance."

REUTER said that Chairman Deng "made a sensible move" by expressing his willingness to meet Gorbachev if Gorbachev takes effective steps to prompt Vietnam to stop its aggression against Cambodia, and withdraws its troops from Cambodia, and that Deng's statement had attracted worldwide attention. Some Western observers held that Deng Xiaoping's proposal shows the flexibility of China's policies and China's positive posture toward improving Sino-Soviet relations. "This bold and intelligent strategic action will produce an important influence on the development of the world situation." The CHRISTIAN SCIENCE MONITOR pointed out in a commentary that "no matter whether the terms put forward by Deng Xiaoping can be satisfied or not, his willingness to hold a meeting with the Soviet leader is important." Some foreign newspapers held that the ball was now in the Soviet Union's court for the improvement of Sino-Soviet relations, and the Soviet Union must decide how to react.

Deng Xiaoping said that due to Vietnam's aggression against Cambodia, China and the Soivet Union are in fact involved in a hot spot and are in confrontation. Western analysts pointed out that it was reasonable and understandable for Deng Xiaoping to have said this. They said that "the Cambodia issue has always been a major obstacle to the improvement of Sino-Soviet relations." The GUARDIAN of Britain said: "The Soviet Union has offered large quantities of economic and logistical assistance to Vietnam in its occupation of Cambodia."

AFP and THE WASHINGTON POST pointed out that Gorbachev's speech on Sino-Soviet relations in late July in Vladivostok did not mention the Cambodia issue. "The number one man in the Soviet Union did not take the initiative on the Cambodia issue" and "the Kremlin refused to exert influence on Vietnam." Observers held that the Soviet Union can certainly prompt Vietnam to stop its aggression against Cambodia and to withdraw its troops. The key is whether the Soviets are willing to do so or not. Some Western diplomats said that Deng Xiaoping reminded the Soviets not to evade the main issue among the three major obstacles and required them to "take something new to improve Sino-Soviet relations." JIJI News Agency of Japan said: "For the Soviet Union, which never recognized the existence of the three major obstacles, it is incorrect to reject Deng Xiaoping's proposal from the very beginning."

As for Sino-U.S. relations, AFP held that by expressing his hope that the United States, especially President Reagan, would make efforts to advance Sino-U.S. relations and adopt a more sensible attitude on China's reunification issue, Deng Xiaoping made the "most direct and straightforward appeal" on Sino-U.S. relations. [paragraph continues]

The CHRISTIAN SCIENCE MONITOR pointed out in its commentary that the improvement in Sino-U.S. relations "means that the two countries share common interests in some fields and that both hope to help each other on some issues." The commentary also said that "the United States should consolidate and further expand its relations with China in all fields, and should adopt a realistic approach to China's objectives."

PRC EMBASSIES HOST NATIONAL DAY RECEPTIONS

OW020836 Beijing XINHUA in English 0803 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- Chinese embassies in African and west Asian nations held receptions Wednesday to mark the 37th anniversary of the founding of the People's Republic of China, XINHUA bureaus report.

In Maseru, Lesotho, King Moshoeshoe II and other officials attended the reception in the Chinese Embassy.

During the reception, King Moshoeshoe II expressed his desire to further promote the friendship and brotherhood between the governments and peoples of the two countries.

In Sierra Leone, Second Vice-President A.B. Kamara and a number of cabinet ministers of the Sierra Leonean Government joined the reception in the Chinese Embassy in Freetown.

In Mauritius, Governor Sir Veerasamy Ringadoo and Foreign and Interior Minister of Mauritius Madun Dullo attended the reception given by the Chinese Ambassador to the Indian Ocean island.

In Muscat, Oman, President of the Omani State Consultative Council, H.E. Ahmad al-Baluchi and some other officials of the Gulf sultanate came to the reception in the Chinese Embassy.

BUSH HAILS TIES AT PRC NATIONAL DAY RECEPTION

OW020828 Beijing XINHUA in English 0813 GMT 2 Oct 86

[Text] Washington, October 1 (XINHUA) -- U.S. Vice President George Bush said tonight that he appreciates the relationship between the United States and China and hopes it will grow even more in the future.

Bush, making a toast at a Chinese Embassy reception on the 37th anniversary of the founding of the People's Republic of China, said, "Everybody in this room has great respect for ther Chinese people, for what has been accomplished in China, and great appreciation for the relationship between the People's Republic of China and the United States."

Among the American officials present were Secretary of Defense Caspar Weinberger and Secretary of Commerce Malcolm Baldrige.

Bush proposed a "toast to the growing, expanding friendship between the United States and China, between the people of this United States of America and the people of the People's Republic of China."

The People's Republic of China was founded on October 1, 1949. It established normal relations with the United States on January 1, 1979.

Bush served as the first chief of the U.S. Liaison Office in Beijing before the normalization of relations between the two countries. He visited China as U.S. vice president in 1982 and 1985.

The reception was hosted by Zhang Zai, charge d'affaires ad interim of the Chinese Embassy here.

The more than 800 guests tonight included people from all over the United States as well as foreign diplomats.

FANG YI MEETS UNIVERSITY OF MARYLAND PROFESSOR

OW030734 Beijing XINHUA in English 0732 GMT 3 Oct 86

[Text] Beijing, October 3 (XINHUA) -- Chinese State Councillor Fang Yi met Ching Sheng-wu, professor at the Institute for Physical Science and Technology of University of Maryland, the United States, and his wife here today.

Lu Jiaxi, president of the Chinese Academy of Sciences, was present.

Wu is honorary professor at the Institute of Physics of the Chinese academy.

SPOKESMAN SAYS NO SOVIET RESPONSE TO MEETING OFFER

HK030951 Hong Kong AFP in English 0939 GMT 3 Oct 86

[Text] Beijing, Oct 3 (AFP) -- The Soviet Union has not responded to Deng Xiaoping's offer to meet Soviet leader Mikhail Gorbachev if Moscow urges Vietnam to withdraw from Cambodia, a Chinese Communist Party spokesman said here Friday.

"So far we have not had any response from the Soviet side," Chinese Communist Party Foreign Affairs Spokesman Wu Xingtang said at a meeting with foreign reporters.

"Deng Xiaoping has proposed that he himself or (party Chief Hu Yaobang) or another Chinese leader meet with Gorbachev if the Soviet Union would exert influence on Vietnam to withdraw from Cambodia," he said.

"If this condition is met such a meeting is highly realistic," Mr. Wu added.

Mr. Deng made the offer in an interview last month with a U.S. television correspondent. Soviet diplomats said recently that they had yet to receive formal notification of the proposal.

Mr. Wu said the Soviet Union was providing Vietnam with "two to three million dollars" in aid each day, much of it military, and that without this aid Vietnam could not continue to occupy Cambodia.

"The Soviet Union is going through a third party to threaten the security of China. Therefore we demand the Soviet Union to normalize state to state relations by solving this problem first," he said in reply to a question about restoration of party links with the Soviet Union.

Mr. Wu said the restoration of party-to-party ties with Moscow's East European allies was proceeding gradually because there was no fundamental conflict between them and China.

Countries such as Poland provided some aid to Vietnam through Comecon, the Soviet-dominated East European economic grouping, but such aid was mostly economic rather than political.

"We wouldn't object to the Soviet Union if their aid to Vietnam were only economic," he said.

Mr. Wu added that it was China's belief that Moscow need only withdraw its military aid to Hanoi to force a pullout of Vietnamese troops from Cambodia.

China this week hosted Polish Leader General Wojciech Jaruzelski on a working visit that effectively ended a 25-year hiatus in party ties with China.

East German leader Erich Honecker is to visit Beijing this month, followed by party leaders from other East European leaders in the coming months.

LI XIANNIAN BEGINS OFFICIAL VISIT TO DPRK

Departs 3 October

OW030141 Beijing XINHUA in English 0131 GMT 3 Oct 86

[Text] Beijing, October 3 (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC) and president of the People's Republic of China, left here this morning to pay an official good-will visit to the Democratic People's Republic of Korea (DPRK).

Li is visiting the country at the invitation of Kim Il-song, general secretary of the Central Committee of the Korean Workers' Party and president of the state of the DPRK.

Seeing him at the airport were Vice-President Ulanhu, member of the Political Bureau of the CPC Central Committee and Vice-Premier Tian Jiyun, and charge d'affaires ad interim of the DPRK Embassy in Beijing Kim Chang-kyu.

Accompanying President Li on the visit are his wife Lin Jiamei and member of the Political Bureau of the CPC Central Committee, State Councillor and Foreign Minister Wu Xueqian.

Arrives, Met by Kim Il-song

OW030254 Beijing XINHUA in English 0237 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- Li Xiannian, Chinese president and member of the Standing Committee of the Political Bureau of the Chinese Communist Party, and his wife Lin Jiamei, arrived here by special plane this morning at 11:25.

They were greeted at the Sunan Airport by Kim Il-song, general secretary of the Central Committee of the Korean Workers' Party and president of the Democratic People's Republic of Korea (DPRK).

Li is in Korea for a four-day official good-will visit as the guest of Kim.

Officials accompanying the Chinese president said that during his visit Li will exchange views with Kim on the international situation, particularly the situation in Asia and on the Korean peninsula.

A grand welcoming ceremony was held at the airport.

NODONG SINMUN Greets Visit

OW030838 Beijing XINHUA in English 0816 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- The visit by Chinese President Li Xiannian to the Democratic People's Republic of Korea (DPRK) will add momentum to the development of friendly relations between the two nations, the major Korean newspaper "NODONG SINMUN" observed in an editorial today.

Recalling Li's visit to the DPRK before, the editorial said that this visit shows the Chinese people's fraternal feelings toward the Korean people.

The Chinese president arrives today for a four-day official good-will visit.

The editorial praised the achievements by the Chinese people, saying that "progressing with each passing day, the People's Republic of China is increasingly powerful."

The editorial also praised China's independent foreign policies. The raising of China's international status has enhanced the country's influence in world affairs, the editorial noted.

The further strengthening and developing of the Korean-Chinese friendship will benefit the socialist construction in the two countries and contribute to the maintenance of world peace and security, the editorial said, adding that the Korean people will exert their utmost effort in this respect.

Other newspapers here also carried editorials to mark the Chinese president's current visit.

KIM IL-SONG VIEWS COOPERATION BETWEEN AUTHORS

HK020731 Beijing RENMIN RIBAO in Chinese 30 Sep 86 p 6

[Dispatch by reporter Xu Baokang (1776 1405 1660): "Kim Il-song Says Writers and Artists of Different Countries Should Support Each Other"]

[Text] Pyongyang, 29 Sep -- At a party held at the Jinxiushan Discussion Hall on the evening of 29 September for the Pyongyang International Literature Symposium and the Executive Council of the Asian-African Writers' Association, Chairman Kim Il-song said: Contemporary literature should accurately reflect the situation of the new era, thus becoming a bugle call that inspires people to plunge into just causes, and an iron hammer that punishes war maniacs.

Kim Il-song said: Literature should become human society's textbook and the banner of the people's war. The mission of literature is to really reflect life showing people the road to struggle. Kim Il-song expressed the hope that in their own creative activities, writers should put the emphasis on reflecting urgent problems and the people's demands, and portraying the main trends and the just struggle of the masses of people in the new era.

Kim Il-song spoke highly of writers as speakers representing social life and as engineers related to the human soul. He said that to fullfill his glorious mission in society and discharge the responsibilities that he assumes before the people, a writer should not become only an onlooker watching realistic developments but should also become a person directly involved in struggle and life and a stout fighter for justice.

Chairman Kim Il-song said in conclusion that the writers and artists of various countries in the world should show mutual unity, mutual support and close cooperation.

WANG ZHAOGUO ATTENDS PRC-JAPAN AMITY SESSION

Speaks to Meeting

OW260854 Beijing XINHUA Domestic Service in Chinese 0723 GMT 25 Sep 86

[By reporter Zhang Huanli]

[Text] Oiso (Japan), 24 Sep (XINHUA) -- The 3d Plenary Session of the 21st Century Committee for China-Japan Friendship ended in Oiso, Kanagawa Prefecture, Japan this afternoon.

After its opening in Tokyo, the session moved to Oiso on the afternoon of 22 September. During the past 2 days, Chinese and Japanese members of the committee discussed, from a conviction that Sino-Japanese friendship will surely materialize in a realistic and candid manner, measures to exploit the favorable conditions in the friendly ties between the two countries to properly handle the destabilizing factors in the intermediate stage of development of the friendship. They discussed in depth and achieved common understanding on political and economic issues and on cooperation and exchange in science and technology, culture, and youth work, thereby deepening their mutual friendship and trust.

At the closing session this afternoon, Wang Zhaoguo and Tadao Ishikawa spoke on behalf of the members of their respective countries.

Wang Zhaoguo said: Chinese and Japanese members have agreed that the current session is held at a time when friendly relations between the two countries have continued to grow. During the past 2 years or so, both Chinese and Japanese members have worked and achieved good results in promoting lasting friendship and mutual understanding and trust between the peoples of the two countries.

He said: Discussions at the current session can be summarized as follows: First, after thorough discussion of bilateral political relations, Chinese and Japanese members have reached consensus or held similar views on many issues. Second, proceeding from long-range interests, they exchanged views and achieved common understanding on expanding bilateral views and achieved common understanding on expanding bilateral trade and economic relations and scientific and technological cooperation. Third, as for cultural and youth exchanges, they have agreed that thanks to the support from various circles in China and Japan, youth exchange has entered a new stage of all-round development, substantial in content and diversified in form, as reflected in the Chinese-Japanese youth festival held in 1984 and the Chinese youths' visit to Japan last year. Cultural exchange has also been conducted through various channels, at different levels, and in a lively manner. Wang Zhaoguo said: All of these explain that the current session is a complete success.

Ishikawa said: Through candid and animated discussions at the current session, Chinese and Japanese members have taken a giant step forward in creatively exploring ways for establishing long-range stable relations between China and Japan beyond the 21st century.

He said: The discussions have deepened mutual understanding between Japan and Chinese members. At the same time, through contacts outside the session, the members have strengthened their personal friendship. He stressed that the committee shoulders an arduous task of exploring the ways for establishing long-range and stable Japanese-Chinese relations beyond the 21st century.

However, he is convinced that as long as the two sides make concerted efforts and do solid work, the task will certainly be accomplished.

The session decided that the 4th Plenary Session of the 21st Century Committee for China-Japan Friendship will be held in Beijing next fall.

Chinese and Japanese members will leave here for Tokyo tomorrow morning. After paying some courtesy calls in Tokyo, Chinese members of the committee will return home on 27 September.

Reception Marks Session Close

OW260012 Beijing XINHUA in English 1618 GMt 25 Sep 86

[Text] Tokyo, September 25 (XINHUA) -- Chinese Ambassador to Japan Zhang Shu hosted a reception here today to celebrate the successful conclusion of the Third Session of the 21st Century Committee for China-Japan Friendship.

Present at the reception were over 200 guests, including Wang Zhaoguo and Tadao Ishikawa, Chinese and Japanese chief representatives of the committee, and other committee members.

Masayoshi Ito, chairman of the Dietmen's League for Japan-China Friendship, and Yoshikatsu Takeiri, chairman of the Japanese Komei Party, also attended the reception.

The third committee session was held in Oiso, Kanagawa Prefecture, between September 22 and 24. The first session was held in Japan in 1984 and China hosted the second last year.

Nakasone Praises Friendship Talks

OW270140 Beijing XINHUA in English 1838 GMT 26 Sep 86

[Text] Tokyo, September 26 (XINHUA) -- The frank exchange of opinion at the Third Session of the 21st Century Committee for China-Japan Friendship has strengthened relations between the two nations, Japanese Prime Minister Yasuhiro Nakasone remarked here today.

Nakasone made the observation after hearing the report on the session by chief representatives of the two sides of the committee.

The Japanese prime minister expressed satisfaction when the two chief representatives, Wang Zhaoguo of China and Tadao Ishikawa of Japan, described the session as a success.

"To maintain and enhance Japan-China friendship remains a fundamental diplomatic policy of Japan and a strong desire of the Japanese people," Nakasone noted. He added that the Japanese Government handled some recent problems between the two countries in accordance with the policy.

He expressed the hope that representatives of the two sides will make joint efforts for the success of the fourth session to be held in China next year.

Before meeting Nakasone, Wang Zhaoguo called on Masaharu Gotoda, Japanese chief cabinet secretary. Wang noted that as an old friend of the Chinese people, Gotoda has helped Nakosone considerably in handling problems between the two nations.

As for historical issues Gotoda said he agreed with the late Chinese Premier Zhou Enlai's observation: Past experience, if not forgotten, is a guide for the future.

The two peoples should increase exchange and promote mutual understanding and trust to extend their friendly relations, Gotoda stressed.

Wang Zhaoguo Ends Visit

OW271958 Beijing XINHUA in English 1505 GMT 27 Sep 86

[Text] Tokyo, September 27 (XINHUA) -- Chinese representatives of the 21st Century Committee for China-Japan Friendship led by Wang Zhaoguo left here for home this afternoon after successful conclusion of the committee's third plenary session.

The third session was held in Tokyo and Oiso, Kanagawa Prefecture, between September 22 and 24.

After attending the session, Chief Representative Wang Zhaoguo toured some enterprises in Tokyo and met with Japanese friends.

The committee's first plenary session was held in Japan in September 1984 and China hosted the second last year.

NAKASONE MEETS DELEGATION TO ECONOMIC CONFERENCE

OW021928 Beijing XINHUA in English 1842 GMT 2 Oct 86

[Text] Tokyo, October 2 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone said here today that Japan and China should work together in identify new areas for their growing Economic Cooperation.

Nakasone made the remarks at the prime minister's official residence during a meeting with members of the Chinese delegation to the "China-Japan Econoic Seminar for the 21st Century." The group is headed by Yuan Baohua, vice minister of the Chinese state economic commission.

The prime minister said although the ties of friendship and economic cooperation between Japan and China are based on a solid foundation, there still are great potentialities to tap new areas to identify.

The two countries, he added, should create better conditions for cooperation, deepen their mutual understanding and, in particular, make greater efforts in the legal and managerial aspects of their cooperation.

Commenting on seminar, he said the meeting was important for solving the economic problems between the two countries.

Yuan Baohua said that China is seeking to improve the investment environment, enhance the quality of its products and ensure delivery on time.

The seminar was jointly sponsored by one of the leading Japanese papers "ASAHI SHIMBUN" and China's "ECONOMIC DAILY." During the meeting, held from September 27 to 30, China and Japan discussed the prospects of closer economic cooperation, especially the need to improve China's investment environment and the necessity to reduce the imbalance in trade between the two countries.

The Chinese delegation arrived here on September 26 and will leave for home tomorrow.

GU MU MEETS VISITING JAPANESE SINGER

OW021910 Beijing XINHUA in English 1535 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- Chinese State Councillor Gu Mu met noted Japanese singer Saburo Kitajima and his party here today at the Great Hall of the People.

Saburo Kitajima, a popular singer, has enjoyed a high reputation for more than 20 years in Japan. Gu wished his performing tour a success.

Kitajima said that he would never forget his current China visit because his dream to visit China has finally come true coincident with celebration of his 50th birthday and 25th anniversary of his artistic life.

The singer said he would learn the cream of the Chinese songs and blend it into his songs.

A banguet in honor of the singer and his party was followed the meeting.

Kitajima and his party will perform at the Beijing Exhibition Centre October 5.

COMMENTARY FORESEES CLOSER JAPAN-CHINA RELATIONS

OW300346 Beijing Domestic Service in Mandarin 1150 GMT 29 Sep 86

[Unattributed commentary from the "International Current Events" program: "The Inevitable Trend of the Great Development of Sino-Japanese Friendship"]

[Excerpts] The 14th anniversary of the normalization of Sino-Japanese diplomatic relations falls on 29 September this year. [passage omitted]

Development and consolidation of Sino-Japanese friendship is a matter of prime importance to the long-term and fundamental interests of the peoples of the two countries and to the maintenance of peace and stability in Asia and in the rest of the world. People welcome the fact that the governments of both countries attach great importance to Sino-Japoanese relations and deem it one of their basic national policies to develop the friendship between the two countries and the two peoples.

They have established a system of multilevel meetings and consultations, making it possible for the two sides to exchange opinions promptly, enhance their understanding, and increase their mutual trust. Because of this, their exchanges and cooperation have developed measurably in the political, economic, cultural, and other spheres. [passage omitted]

To develop long-term good-neighborly and friendly relations in the future, the 21st Century Committee for Sino-Japanese Friendship was established in 1984. An integrated organization of both the governments and peoples, this committee has held three sessions. It has done a great deal of significant work for the development of Sino-Japanese friendship, winning high praise from the governments and peoples of both countries. It is no exaggeration to say that in the more-than-2,000-year history of contacts between the two countries, now is the best era of Sino-Japanese friendship. [passage omitted]

Over the past 14 years, China and Japan have made considerable progress in economic cooperation. In 1985, the volume of bilateral trade -- imports and exports included -- was $16.44 billion. This was 29.1 percent higher than 1984 and up by 78.7 percent compared with 1980; the average growth rate per year being 10.5 percent. Among Japan's trade partners, our country climbed from fourth place in 1984 to second place in 1985. In 1985, China also became the second largest supplier among the countries and regions that were sources of Japan's imports.

Sino-Japanese trade has played a significant role in the economic construction of both countries. The importion of new technology and equipment into our country has geared up the construction of key projects and accelerated the technological upgrading of enterprises. Preliminary figures show that by the end of 1985, China had signed some 500 contracts with Japan for technology and equipment imports, and the transactions concluded in this regard had amounted to $6,439 million.

Financial cooperation is also an important aspect of Sino-Japanese economic cooperative relations. As of the end of 1985, Japanese funds used by our country for economic construction had reached some $9 billion, including two general loans and two energy-development loans from Japan and direct investments by Japanese enterprises. Now all loans are fully manifesting their effects on the construction of key projects.

Obviously, economic cooperation and mutual support and benefits between China and Japan are of vital significance. In view of the needs of the two countries and their respective strong points, it is quite possible for them to supply each other's requirements and supplement each other for the benefit of their peoples. From a long-term viewpoint, the interdependent relations between China and Japan can only become closer.

Of course, we should be sober enough to realize that frustrations and setbacks still exist on the broad avenue of the ongoing development of Sino-Japanese friendship. In recent years, textbooks were tampered with, and official visits were made to the Yasukuni Shrine. Not long ago Masayuki Fujio -- who has already been removed from his official post -- made a clumsy performance of trying to invoke the specter of militarism and reverse the correct verdict on it. All these were small adverse currents that hurt the feelings of the two peoples and were harmful to Sino-Japanese friendship. They have, of course, been strongly denounced by the government, personages of deep insight, and the broad masses of people in Japan. [passage omitted]

It should be pointed out, however, that now over one-half of the Japanese today are young people who did not experienced the war. They have not felt the disasters brought to the two peoples by the war and lack a sufficient understanding of the history of the two countries. For this reason, it is possible that they do not treasure the hard-cultivated, fine Sino-Japanese relations of today as dearly as the older generation.

Under these circumstances, it is a matter of great urgency for the Chinese and Japanese peoples to enhance their mutual understanding so that the Sino-Japanese friendship established by the older generation will be carried on and developed generation after generation. We believe that the governments and peoples of China and Japan will take up this sacred mission and make new contributions to the smooth inheritance of Sino-Japanese friendship by the young generation. In that case, Sino-Japanese friendship is bound to develop in greater breadth and depth and to bloom with even more spectacular brilliance.

LATE REPORT: LI XIANNIAN TALKS WITH KIM IL-SONG

OW031128 Beijing XINHUA Domestic Service in Chinese 0908 GMT 3 Oct 86

[Text] Pyongyang, 3 Oct (XINHUA) -- After arriving at the Paekhwawon State Guesthouse from the airport in the company of Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea and state president, Li Xiannian, member of the Political Bureau of the CPC Central Committee and president of the People's Republic of China, held very cordial and friendly talks with Kim Il-song.

Li Xiannian and Kim Il-song are old friends who have met many times. After the two took their seats in the lounge, President Kim Il-song asked President Li with concern: "Are you tired?" Li Xiannian replied with a smile: "Not tired, not tired. I am very happy that hundreds of thousands of people came out to welcome us."

Kim Il-song said: "The people of our country should warmly welcome you because you have done many good things for Korea." After hearing these words from Kim Il-song, President Li said: "I did not do anything. (During the Korean war) I only did some work in the rear." President Kim continued: "Work in the rear is very important, for without the work in the rear, the front could not go on fighting."

Then the two leaders reminsced about the conditions in the war to liberate the Korean fatherland. President Li said: "Our two countries are as close as lips and teeth." President Kim said: "Correct! We are one family!" President Li then said: "The friendship between our two countries is cemented by blood. We shed blood in the same trench, and it was impossible to distinguish which of the shed blood was Chinese and which of it was Korean." President Li continued by saying that Korean comrades have also taken part in the Chinese revolution. "Therefore, we cannot say that only China has aided Korea. Korea has also given us a lot of assistance."

Thanking President Li for what he said, President Kim said: "Therefore, we should strive to pass on this friendship from generation to generation." Expressing his agreement, President Li said: "It definitely should be passed on from generation to generation."

CSSR'S ROHLICEK GREETS PRC ON NATIONAL DAY

OW021914 Beijing XINHUA in English 1516 GMT 2 Oct 86

[Text] Prague, October 2 (XINHUA) -- Czechoslovakia's First Deputy Premier Rudolf Rohlicek extended his best wishes in a speech to mark China's 37th national day.

The on-going cooperation and friendly relationship between Czechoslovakia and China, he said, are "two pillars supporting the bridge that links both countries."

Rohlicek also recalled his September visit to China in his speech to Czechoslovakia correspondents, published in the latest edition of the weekly "TVORBA" (CREATION) magazine.

Good relations can lead to greater cooperation which will benefit both countries, world peace and socialism, the deputy premier said.

ROMANIAN PARTY OFFICIAL MEETS PRC AMITY GROUP

OW261011 Beijing XINHUA in English 0843 GMT 26 Sep 86

[Text] Bucharest, September 26 (XINHUA) -- Romanian Communist Party Secretary Ion Stoian met today with a Chinese delegation led by Li Qiang, president of the Chinese-Romanian Friendship Association.

During the meeting, Stoian said that exchange of visits by leaders of the two countries and parties have created the foundation for further cooperation in the political, economic, cultural and scientific and technological fields.

Stoian pointed out that political independence should be guaranteed by a strong economy and that economic development requires peaceful circumstances. Therefore, the maintenance of peace is Romania's constant task.

Both sides called for further strengthening of the political and economic cooperation between the two countries.

The Chinese delegation arrived here on September 11. During their stay in the country, the guests met with officials of various Romanian Government departments and visited economic, social and cultural installations.

The delegation left here tonight.

LIAOWANG ANALYZES CPC PLENARY SESSION GUIDELINE

HK020955 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 39, 29 Sep 86 pp 3, 4

[Article by LIAOWANG reporter: "Unity, Construction -- A Guideline for Building Spiritual Civilization"]

[Text] The main item on the agenda of the 6th Plenary Session of the 12th CPC Central committee, which was held in the second half of September as scheduled, called for the discussion and approval of a programmatic document guiding the building of socialist spiritual civilization. The strengthening of the building of spiritual civilization in the new historical period concerns various fields and has far-reaching influence. It has a bearing on the fundamental interests of various of the country's nationalities, and the success or failure of the socialist undertaking.

Pave the Way for a New Economic System [subhead]

Why it is that a subject such as the building of spiritual civilization is raised today, and that such emphasis is placed on its significance?

Originally, in the years from the founding of the New China to the beginning of the Cultural Revolution, China's spiritual civilization -- a term not so popular then -- was rated superb in the world. A corruption-free government, a spirit of dedication to serving society and others, strict discipline, and good moral practices -- all these were internationally recognized. But the a catastrophe of the Cultural Revolution did very serious damage to the Communist Party's many years of fine tradition, such as the idea of serving the people and the style of seeking truth from facts, linking theory with practice and integrating with the masses. Since the 3d Plenary Session of the 11th CPC Central Committee, such traditions as seeking truth from facts, emancipating the mind, promoting democracy, and so forth have been greatly restored and developed. But many problems still exist where party style and social practices are concerned. They must be solved.

Especially important is that since the emphasis on modernization as the focus of work, the implementation of the policy of opening up to the world and invigorating the domestic economy, and the introduction of an overall economic reform, many hackneyed concepts and habits formed in society over a long period of time, have become incompatible with new tasks and circumstances. The practice of sticking to old conventions, fedual patriarchal relations, ignorance, backwardness, and other conditions have been especially noticeable, and seriously hamper the development of productivity. Therefore, the building of spiritual civilization has become a task of great urgency.

The 12th CPC National Congress in 1982 made a policy decision on the building of spiritual civilization. In September last year, the CPC Central Committee decided to discuss and approve, at the Sixth Plenary Session of the CPC Central Committee this year, a programmatic document to strengthen the building of spiritual civilization as a guideline for work in this respect. After a long period of debate, discussion, drafting and modification, this document will soon be published. It will give an effective boost to the building of spiritual civilization and pave the way for the development of new productive forces and for a new economic system.

The Fundamental Task and the Main Idea [subhead]

The fundamental task in the building of spiritual civilization is to take being a citizen "with ideals, morality, education and discipline" as a guiding principle and improve the ideological, moral, scientific, and cultural qualities of the entire Chinese nation.

"Having ideals, a sense of morality, a cultural standard and a sense of discipline" is an highly condensed summary, made by Deng Xiaoping, on the basis of the task of modernization and the problems now existing in society in the ideological and moral fields. This has the effect of countering existing defects and bringing instant results. It also fits in with the direction of advance in socialist modernization. It is an important guide in building spiritual civilization.

What then, is the guiding idea for the building of spiritual civilization? At a forum, a Chinese Communist leader suggested: The starting point, and the end of the whole effort to build spiritual civilization, call for striving to unite people of all the country's nationalities in the most widespread and coeherent manner, upholding an overall reform and the policy of opening up, sharing the same will and the same goal, and pooling mass wisdom in building a great modern socialist country. This guiding idea may be summed up in four big Chinese characters which represent unity and construction.

Some old concepts and habits need to be changed, and certain new concepts and practices need to be established. There are two ways of eliminating the old and establishing the new. One is the method used during the 10 year of the Cultural Revolution. It is "taking class struggle as the key link" and participating in mass criticism and mass struggle and random criticism and random struggle, causing a great disruption in the unity of the Communist Party and the unity of all nationalities and people of all social strata throughout the country. The so-called "destruction of the four olds" ended up only in the "the four olds" dominating the scene. The social moral standard also dropped. The lesson from the Cultural Revolution is that such a method should be dropped. Another way is to become united and look ahead. With new things established, old ones will dwindle away. Therefore, the current effort to build spiritual civilization must be directed toward unity, toward construction, and toward the raising of standards and education. Attention must be concentrated on uniting the people and giving full play to the people's activism and their creative spirit and on efforts to strengthen ideological and moral construction and construction in the educational, scientific and cultural fields.

Unity — Arouse All Positive Factors [subhead]

Building a highly civilized modern socialist country provides a comprehensive basis for unity of people of all the country's nationalities in the political, moral and spiritual fields. On such a basis, we can realize comprehensive unity.

The building of a prosperous and powerful country is the ideal of all enlightned people and people of all nationalities in contemporary history. With the founding of the New China, the history of being freely subject to annexation, and freely imposed upon, ended completely. But building of a rich and powerful country still calls for a long period of hard work by the people of the whole country. Therefore, with the main goal of modernization, we call call into action the activism of all patriots -- people inside and outside the party, Marxists and non-Marxists, atheists and religious believers, people at home and abroad -- and unite the largest possible number of people bent on carrying out reforms, introducing openness and participating in construction. Between people of various nationalities, between workers, peasants and intellectuals, and even between family members, we must promote the new style of unity marked by mutual love, mutual help and mutual support. [paragraph continues]

Unity is strength. Given the existing general situation of political and general stability and unity on the mainland, the building of spiritual civilization must give a boost to mass unity on the basis of modernization. Only in this way can all-conquering force come into being, can China achieve the level of being relatively well off by the end of the century, and can the goal of joining the ranks of developed countries in the world by 2049 be reached.

The Key Lies in Construction [subhead]

The key to spiritual civilization lies in construction. Faced with new tasks, new conditions and many new and old problems, in what fields should we first make a start?

Ideas and morality complement each other. Without common ideals, the people of a country are a loose grouping, like a heap of loose sand. With ideals, a person will muddle on without being capable of anything great. Without ideals, he cannot achieve a very high moral level. In building spiritual civilization, we must advocate and develop a moral trend of loving the people, loving labor, loving science and loving socialism.

A Communist Party member must have an even higher moral level. The development of a society and its future and the prosperity and happiness of a people always call for a large number of socially advanced elements staying ahead of the era, fighting a hard struggle and leading the way. The special worth of a Communist Party member lies in his being capable of correctly treating personal gains and losses, serving the interests of the state, the people and society, consciously contributing all his personal wisdom and talent, and even sacrificing his own life.

Professional ethics also represents an important link. A poor service attitude has become a major problem. We must strive energetically to promote the spirit of serving the people and being dedicated to the job, especially in commercial, service, medical, communications, transportation and other departments.

The building of socialist democracy and a relevant legal system is an especially important aspect in the effort build spiritual civilization. A high degree of democracy is the goal of socialism. Deng Xiaoping said: "Without democracy, there is no socialism and no socialist modernization." At present, we must build a democratic system realistically. Only with things systematized and institutionalized, can there be a guarantee of democracy. Given a long period of feudal society, China is inattentive to the legal system. Lessons from the Cultural Revolution have made people further realize that a sound legal system is a way to long-lasting peace and order. In the past few years, various important laws and regulations have been worked out successively by legislative organs. This year, education on the legal system has been further conducted within a scope embracing all the people. Every person must have an idea of the law and abide by the law.

Ignorance and backwardness are tremendous obstacles to modernization. Therefore, a fundamental task in the building of spiritual civilization is to improve the scientific and cultural qualities of all the people. We must popularize education energetically, raise cultural standards, develop science and show respect for knowledge and talent.

Excellent Conditions for the Building of Spiritual Civilization [subhead]

Generally speaking, the program for building spiritual civilization is very rich in content, with tremendous tasks involved. It is not a job that can be accomplished overnight. [paragraph continues]

Only through protracted, arduous and accumulated efforts by the people of the whole country can comprehensive results be achieved. But conditions in various fields today are conducive to the building of spiritual civilization. In the past few years, a major development in the economic and political situation on the mainland has been the gradual unfolding of an overall reform. Tremendous achievements in the rural economic reform, the overall economic reform focusing on the city, and the reform of systems involving science and technology, education, and so forth have developed successfully. The political reform has also been put on the agenda. The national economy has been set on a path toward sustained, steady and coordinated development. In sum, reform and openness have given an effective boost to the advance of various modern socialist undertakings focusing on economic construction. Meanwhile, in the course of carrying out reforms and opening up, the reform spirit or pioneering, exploratory and go-getting spirit of the people on the mainland has been increasingly active. All these, combined with a long period of political stability and the people living in perfect peace and contentment, constitute excellent conditions for strengthening the building of spiritual civilization. The building of spiritual civilization has, on the other hand, stimulated the progress of the economic reform and economic construction. Balanced development in material and spiritual fields will enable China to advance more rapidly along the path to modernization.

CPC ADVISORY COMMISSION PLENUM'S COMMUNIQUE

OW291212 Beijing XINHUA Domestic Service in Chinese 1130 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- Communique of the Sixth Plenary Session of the Advisory Commission of the Central Committee of the Communist Party of China

(Adopted by the Sixth Plenary Session of the Advisory Commission of the Central Committee of the Communist Party of China on 28 September 1986)

The Sixth Plenary Session of te Advisory Commission of the Central Committee of the Communist Party of China was held in Beijing on 28 September 1986. One hundred and sixty members of the Central Advisory Commission attended the plenary session.

Comrades attending the session unanimously supported the Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Society with an Advanced Culture and Ideology adopted by the 6trh Plenary Session of the 12th Central Committee of the Communist Party of China. They pledged that they will earnestly study and broadly propagate this programmatic document meant for intensifying the building of a socialist society with an advanced culture and ideology in China during the new period, set an example for other party comrades, and work hard with them in implementing the resolution.

Comrades attending the session unanimously supported the Resolution of the 6th Plenary Session of th 12th Central Committee of the Communist Party of China on the Convening of the 13th National Party Congress.

The Sixth Plenary Session of the Central Advisory Commission was chaired by Comrades Bo Yibo and Song Renqiong, vice chairmen of the Central Advisory Commission. During the session, Comrade Bo Yibo expressed his view on how the Central Advisory Commission should implement the Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Society with an Advanced Culture and Ideology.

SHIJIE JINGJI DAOBAO ON REFORM OF LEADERSHIP SYSTEM

HK291417 Shanghai SHIJIE JINGJI DAOBAO in Chinese 15 Sep 86 p 14

[Article by Han Kang (7281 1660), Zhou Wei Min (0719 3634 3046) and Lu Zhongyuan (4151 0022 0626) of the Central Party School: "Some Views on Reforming the Leadership System"]

[Text] The Chinese Communist Party is a ruling party. In our country, the ruling party possesses the political powers and manages state affairs. However, a large number of the ruling activities are not carried out in the capacity of government and state power organs but directly conducted by the party organs and systems. Meanwhile, the government and state power organs also perform the function of state administration under the leadership of the party. Therefore, there are two sets of organs and systems simultaneously administering the state in the general framework of the political structure in our country.

The first contradiction of this kind of administrative pattern is that the party possesses actual state power outside of the state power organs and exercises the administrative leadership and management outside of the government. In the first place, this makes the state power organs as well as the government unworthy of their names and prevents them from setting up their necessary authorities. In the second place, this makes the ruling activities of the party lack the due legal capacity. For example, the Constitution stipulates that the supreme state power organ is the National People's Congress as well as the NPC Standing Committee born of it. Nevertheless, the supreme power organ of the party, in fact, often directly exercises supreme state power above the NPC, thus unnecessarily harming the authority of both the party and the state.

As these two sets of power organs and systems simultaneously perform the similar functions of state administration, friction and contradictions would arise. Therefore, eliminating friction and solving contradictions entails extra work, thus seriously affecting administrative efficiency. The present dual leadership structure in the enterprises in our country can typically exemplify this issue.

This pattern of relationship between those who lead and those who are led has made it difficult to realize a rational distribution of state political power. Despite the fact that we have a basically complete organizational form to rationally distribute state power, the pattern of the party's unified leadership over the government prevents the state organs from playing a relatively independent, rational and full role.

The existence of this administrative pattern and its interrelations made the party unavoidably overcentralize its power. However, because of the specific characteristics of the power system of the party, the power is often concentrated in the hands of a few leaders or a particular leader and becomes a kind of almost unrestricted and unlimited personal power. The 10-year catastrophe has demonstrated this great harmfulness.

This administrative pattern has showed that state administrative organs and systems have exceeded the rational limit and that the overcentralization of power and the relevant phenomenon of irresponsiblity have resulted in the administrative barriers of overstaffing in two aspects. First, the overcentralized and almost all-embracing leadership pattern would surely urge the party to complete and constantly expand its administrative organs and systems. Second, as it is difficult for the state administrative organs to effectively perform their normal functions, they have to rely on the method of increasing institutions to complete many works, in particular, those provisional and gradual works. [paragraph continues]

The lower the work efficiency of the administrative organs, the more institutions would be needed. The more institutions that are added, the lower is the work efficiency of the administrative organs. One of the important reasons for the deterioration and development of these administrative barriers into chronic and stubborn diseases is the failure to break this vicious cycle.

The party's structural system is overburdened in that its scale and consumption have far exceeded the actual needs of performing its function of state administration and its own management. The systems and organs of the party are the "carriers" of the ruling activities of the party, or the physical representatives of the party's leadership. It has two operational aims: The outward aim is that organs of the party Central Committee enact the development principles and outlines for the party and the state, while the local party systems and organs are responsible for supervising the implementation of these principles and outlines. The inward aim is to manage and educate party members. According to the requirements of the outward aim, the systems and organs of the party should be the systems and organs mainly responsible for carrying out investigation and research. According to the requirements of the inward aim, the works of the systems and organs of the party are not intended for the ordinary citizens. This determines the non-administrative characteristics of the organizational structure of the party's systems and organs.

However, there is now no fundamental difference between the party's systems and organs and the organizational structure of the state's administrative organs. In a certain sense, many party leading organs have, in fact, become the "management offices of local affairs," which are often much larger than government organs in scale. Because of the special status as well as the "special rights" of the ruling party, the systems and organs of the party often tend to expand regardless of the normal restrictions. In comparison, it is easier to incite the structural inflation.

Under the centralized leadership system, the selection and appointment of the leaders of the state administrative departments, the cultural and educational systems, and the mass organizations at all levels and the large and medium-sized enterprises are all monopolized by the organs of the party. Therefore, the party wastes much organizational effort in appointing cadres who are not of the party system and becomes, to a certain extent, a social cadre management department. Being busy with the routine duties of the enormous non-party propaganda and educational systems and organs grow larger and employ more and more staff.

Having an exhaustive encumbrance and consuming a lot of its energy in handling the daily administrative works, the party has to scatter its forces in investigating and researching lines, principles and policies, thus reducing the political leading role of the party. Directly participating in administration, the systems and organs of the party become the direct bearers of the administrative responsibility. Therefore, whenever errors occur for whatever reasons, people would tend to regard them as the errors of the party's lines and principles. As a result, the image and reputation of being a ruling party are often damaged because of trifling administrative disputes.

Thus, we can see that this peculiar ruling pattern is the fundamental cause for this syndrome of administrative barriers. Its existence shows that the most important issue in our country's political structure is that the relationship between the party and the government is not harmonious over a long period of time and that the ruling party still exercises state power above the organizations of state political power. [paragraph continues]

This is not a simple issue that the functions of the party and the government are not separated but an issue that the relationship between the party and government is not rational. Therefore, to truly and effectively cure this syndrome of administrative barriers, we should, first of all, consider how to harmonize this kind of relationship.

JINGJI RIBAO DETAILS POLITICAL REFORM PRIORITIES

HK030533 Beijing JINGJI RIBAO in Chinese 24 Sep 86 p 1

[Commentator's Article: "We Must Be Clear About Priorities in Political Structural Reform" — capitalized passages published in boldface]

[Text] Currently, political structural reform has become a major topic with which everybody is considerably concerned. People feel deeply that in conducting economic structural reform, appropriate efforts should also be made to reform some aspects of the political structure. In this sense, economic structural reform includes matters pertaining to political structural reform.

In discussing political structural reform, we must be clear about its priorities. By political structural reform, we mean reforming the leadership structure and not changing the political system. Our political structural reform is the self-improvement of our country's socialist system and, therefore, we should not and cannot blindly copy the existing patterns in other countries. In terms of the current situation, our political structural reform can be summed up in four phrases: SEPARATING THE ROLES OF THE PARTY AND THE GOVERNMENT; INSTITUTING DECENTRALIZATION; STREAMLINING ADMINISTRATION; AND INCREASING WORK EFFICIENCY.

The functions of the party should be separated from those of the government. The party committee is not an organ for managing the economy. It should concentrate on major issues and strive to offer overall leadership. The government should take charge of enterprises. To institute decentralization means to readjust relations and remove "barriers" of power between central and local authorities. Hence, there is a question of decentralization for every administrative level. If leading authorities refuse to decentralize power, or if some leading authorities decentralize power while others withdraw powers recently decentralized, it will be hard to arouse the enterprises' initiative. Decentralization will certainly involve streamlining administration. In the last 2 years, the phenomena by which more new organizations were set up and their staff expanded, some existing organizations were upgraded in status, and position promotions were carried out arbitrarily, have been increasing in number. They are the main causes for bureaucratic practices and low work efficiency, and increasing work efficiency is the starting point of our structural reform.

Political structural reform must be carried out in an orderly way and should not be rushed by mass action. Nevertheless, we should carry out a reform measure resolutely once we are certain of its success. For instance, we should make energetic efforts to increase work efficiency, improve work style, and to transform administrative functions. Structural reform is mainly aimed at streamlining administration, readjusting and transforming the functions of government organs, and smoothing out and perfecting administration and management systems, rather than removing, merging or reducing the number of departments in a summary fashion. Therefore, many problems can be solved gradually in the course of continuously expanding the decision-making power of enterprises, and experimenting with or popularizing the factory director responsibility system.

NATIONAL REFORM-THROUGH-LABOR SYMPOSIUM ENDS

OW300459 Beijing XINHUA Domestic Service in Chinese 1204 GMT 29 Sep 86

[By reporter Yuan Wenzhong and correspondent Xia Weimin]

[Text] The first national symposium on theories of reform and reeducation through labor was concluded yesterday in Taian City, Shandong Province.

More than 250 academic papers were submitted to the symposium. Of these, 58 were discussed at the symposium, and different opinions on them were exchanged. From the viewpoints of pedagogics, psychology, and jurisprudence, the writers of the papers focused their discussions on the question of how to further raise the efficiency of reform and reeducation and reduce the rate of repeated crimes. They set forth their opinions on the legislation of reform and reeducation through labor, the use of scientific work methods, the improvement of the quality of police officers doing this work, and such questions as how to turn the places of reform and reeducation through labor into special schools and how to mobilize the people in society to do a good job in helping educate criminal offenders and those undergoing reeducation through labor. They also pointed out the need to discuss from different directions and angles the questions regarding the legal aspects of conducting reform through labor.

Over 200 workers and theoretical researchers on the work of reform and reeducation through labor from 21 provinces, municipalities, and autonomous regions attended the symposium, which opened on 24 September. The consensus of opinion expressed at the symposium was that the work of reform and reeducation through labor is societal systems engineering, and that making comprehensive efforts to raise the standards of social conduct is of vital significance in reducing crimes and radically improving public security in society.

Gu Qiliang and Lu Jian, both vice ministers of justice, attended this symposium jointly sponsored by the Ministry of Justice and the Shandong Provincial Department of Justice. They both made speeches.

KMT 'SPECIAL AGENT' SENTENCED TO PRISON IN WENZHOU

HK030815 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1346 GMT 30 Sep 86

[Report: "A KMT Spy Case Tried in Wenzhou City"]

[Text] Hangzhou, 30 Sep (ZHONGGUO XINWEN SHE) -- After trying a KMT spy case, the Intermediate People's Court in Wenzhou City, Zhejiang Province, has sentenced special agent Chai Tsung-chao to 10 years imprisonment and deprived him of political rights for 5 years. On 30 September, the Higher People's Court of Zhejiang Province rejected the defendants appeal by making a final judgment and maintaining the original sentence.

A native of Dongtong County, Zhejiang Province, Chai Tsung-chao, male, 42, was a former individual sales agent. In mid-September 1985, he fled to Jinmen Island to supply the KMT secret service with relevant information about China's coastal areas and to join the spy organization. On 2 March of this year, he sneaked back to the mainland with the intention of carrying out such activities as recruiting new members for the spy organization and collecting information.

With support of the Fujian provincial state security organ and the PLA units stationed in Fujian, the Wenzhou City's State Security Bureau cracked this spy case on 21 March after meticulous investigation. The arrested Chai Tsung-chao and discovered and seized his criminal evidence, such as secret writing instruments, operational funds, address codes for secret contact, and assumed names.

AIR FORCE USES FLIGHT SIMULATORS FOR TRAINING

OW021152 Beijing XINHUA in English 1046 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- China's air force is using mock-ups of aircraft for training, said an officer at the People's Liberation Army's Air Force Headquarters.

"As the equipment for the Air Force is getting more sophisticated and expensive, it's impossible and too expensive to use real equipment all the time to train our men," the officer said.

The Air Force has already worked out 16 kinds of mock-ups which enable the users to conduct flying, take-off, landing, aerial combat and other skills on the ground, he said.

It costs over 300,000 yuan to train a pilot the officer said, adding that the application of a flight simulator greatly reduces the cost.

Air Force pilots, both in training and on active service, spend 20 percent of their flying time in the simulators, the officer said.

RENMIN RIBAO EVALUATES JOINT-VENTURE VIOLATION

HK020839 Beijing RENMIN RIBAO in Chinese 26 Sep 86 p 1

[Report by correspondents Wang Chu (3769 2806), Gong Dafa (7895 6671 4099), and Pan Yan (3382 5888): "Director and Deputy Director of the Hubei-Parker Hermetic Parts Factory Reinstated Following the Sino-Foreign Joint-Venture Enterprise Law"]

[Text] By the direct intervention of the Hubei provincial government, the director and deputy director of the Hubei-Parker Hermetic Parts Factory, a Sino-U.S. joint-venture enterprise, who were removed from office by the Provincial Department of Machine Industry in violation of the Sino-foreign joint-venture Enterprise Law, were reinstated on 24 September.

The Hubei-Parker Hermetic Parts Factory is the first Sino-foreign joint-venture enterprise ever set up in Hubei Province. It is jointly operated by the Hubei Provincial Motor Vehicles Corporation and the American Parker-Hannifin Corporation. In the 3 years since the joint venture was launched, the cooperation between the two sides, Chinese and American, has been doing just fine. Factory director Chen Weizhen and Deputy Director Cai Guoning took charge of the import of the know-how for manufacturing rubber O-type rings and thus contributed to solving the problem of "three leaks" existing in Chinese mechanical, electrical, and other industrial products for many years. At the same time, a considerable amount of the factory's products are readily marketed in the United States, Canada, Australia, and the FRG. It has established a good reputation both at home and abroad.

However, since March of this year, the Hubei Provincial Department of Machine Industry, which is in charge of the factory, has sent a work team and then an investigation team in the name of assessing the factory's leading body and management. This is in defiance of the relative stipulation provided by the sino-foreign joint-venture enterprise law, which says: "The highest organ of power in a joint venture is its board of directors which alone has the power to make decisions on all major issues." On 25 April the provincial Motor Vehicles Corporation unilaterally dismissed the factory's director and deputy director from office. This dismissal caused dissatisfaction among the community and the American side. At the meeting held by the factory's board of directors in Wuhan from 27 July to 1 August, the American representative indicated in explicit terms that the decision was unacceptable and repeatedly insisted that the annual work report to the board of directors be made by Chen Weizhen and Cai Guoning. These rational requests were all turned down by the department of machine industry. Consequently, the meeting broke up in discord.

The dismissal of the director created considerable confusion within the factory. In the last 4 months since then, production has been in a state of semiparalysis.

TA KUNG PAO Report

HK020841 Hong Kong TA KUNG PAO in English 2-8 Oct 86 p 2

[From the "The Past Week" column: "A Case of Blatant "Administrative Interference"]

[Text] In the three years since the joint venture [JV] was launched, the cooperation between the Ohio-based Park Hermetic Company, and its Chinese counterpart, the Hubei (province) Auto Plant had been doing just fine. But not after the all-too pervasive monstrosity known as 'administrative interference' poked its nose into it earlier this year and held up the JV's operation for four months. And for a while the future of the Hubei-Park Hermetic Parts Company looked glum indeed had not Beijing steppped in to put a typical wrong right.

Although what exactly went wrong is still unclear from the prominently featured report carried in the PEOPLE'S DAILY [PD] of 26 September, there is no doubt that the fault lies neither with the JV's Chinese nor U.S. partners, but with a third party: the Hubei Provincial Bureau of Machine Industry, which oversees the Hubei Auto Company.

Unfortunately, the evidently audacious part played by this guilty third party is not fully revealed in the PD story except for its final act of dismissing Hubei-Park's director, Chen Wei-chen, and his deputy, Cai Guoning, for some unknown reason.

The audacity of this action, not to say the utter travesty of law and common sense, can be assumed from the fact that Hubei Park had all along been regarded by the Ministry of Foreign Economic Realations and Trade [MFERT] as one of the most successful JVs China has set up with a foreign firm.

From the Chinese viewpoint, Hebei-Park's success in importing the know-how for manufacturing the O-type hermetic ring which 'contributed to stopping the 'leaks' marring Chinese mechanical and electrical products' was an achievement to be proud of. And as a foreign exchange earner, the JV's products are readily marketed in the U.S., Canada, Australia, and West Germany.

qually happy with the Hubei-Park, the U.S. company's representative freely admitted that, of the close to 10 joint ventures his company has set up in China, Hubei-Park Hermetic Parts Factory was not only the most successful, but also the most important.

The JV's troubles began in March this year when the provincial Machine Industry Bureau took upon itself to send a 'work team' and then an 'investigation team' to 'study' the factory's 'leading body'.

The consequent dismissal of the factory's director and vice director in April caused a strong protest from the American company. Aside from creating considerable confusion within the factory, the bureau's oblique meddling also caused eyebrow-lifting and head-shaking in society at large.

Park was perfectly right in stating that the unilateral decision made by what it saw as an outsider was unacceptable. Therefore, it had a right to insist that the annual report to the factory's board of directors be made by either Chen or Cai.

As this request was not met, the responsibility lies entirely with the Machine Industry Bureau for the unhappy ending of the meeting of the factory's board of directors held from 27 July to 1 August.

The incident naturally causes concern as to the authority and dependability of the Sino-foreign joint ventures law.

It is explicitly stated in this law that the highest organ of power in a joint venture is its board of directors which alone has the power to make decisions on all major issues.

While it is a relief to learn that both Chen and Cai have been reinstated following the intercession of the MFERT on behalf of Park, the outside world, especially business circles, has yet to learn what kind of punishment as well as economic responsibilities were brought to bear upon those responsible for this face-losing incident.

ECONOMIC STRUCTURAL REFORM FEATURES SHAREHOLDING

HK021446 Beijing RENMIN RIBAO in Chinese 26 Sep 86 p 5

[Article by Shen Jiru (3088 7535 1172) and Li Jinzao (2621 6855 2483): "A Discussion on the Article 'Shareholding Is a New Basic Point of the Socialist Enterprises'"]

[Text] The reform of the socialist ownership system has already been placed on the agenda of the economic structural reform. A socialist public ownership system is to be established by practicing the socialist corporation and holding system and setting up socialist corporations and consortiums with a view to ensuring that enterprises will really assume full responsibility for all profits and losses under socialist public ownership and to eliminating the shortcomings of the ownership by the whole people, under which enterprises eat from the same big pot provided by the state and their duties, powers, and interests are separated from each other. This process has a bearing on the in-depth development of our reform of the economic structure. Comrade Tong Dalin's article "Shareholding Is a New Basic Point of the Socialist Enterprises" (hereinafter referred to as "New Basic Point") published on 18 August is of positive significance. However, some points of view expressed in this article are open to question. [paragraph continues]

Quoting two remarks by Marx on joint-stock companies, the article "New Basic Point" concluded that the joint-stock company that Marx referred to is a transitional point indispensable to the transformation of capital into the producer's property and, "from our current point of view, this transitional point means a new basic point for socialist enterprises." In fact, this is only the author's own opinion rather than Marx'. Marx held that the joint stock company is the consequence of the "extreme development of capitalist production," and "a necessary transitional point for capital to be retransformed into the producers' property which, however, is no longer the private property of separate producers, but the property of combined producers, in other words, direct property of society." ("Collected Works of Marx and Engels." Vol 25, p 494) Shareholding does not equal "direct property of society." Instead it is merely a kind of public ownership characterized by group posssession. Marx did not talk about the question of the survival of joint stock companies in the socialist society but held that as a result of the extreme development of capitalist production, the joint stock company as a form of collective capitalism will become a transitional form which will finally develop into a new ownership system under which combined producers will jointly own means of production. How will such a transition be effected? In "The Communist Manifesto," Marx and Engles said: "The proletariat will make use of its political rule to seize all the capital of the bourgeoisie step by step and put all the production means under the control of the state, namely, the organized proletariat which is turned into the ruling class." ("Selected Works of Marx and Engles," Vol 1, p 272) It is quite obvious that the transitional point that Marx referred to denotes the extreme development of capitalist productive forces, which implies that the conditions for a revolution in the capitalist ownership are ripe. The socialist revolution as predicted by Marx and Engles can only take place in a country where capitalism is highly developed. Marx and Engles held that commodity production would no longer exist in a socialist society, and the form of ownership of production means would be direct ownership by all the laborers. In light of this thesis of Marx, the question on the process of transforming socialist enterprises into joint stock companies is obviously irrelevant. For this reason, the "transitional point" can only be interpreted as the ripe condition for revolution rather than a new basic point. In his article "Imperialism is the Highest Stage of Capitalsm," Lenin also pointed out that "monopoly is a transition from capitalism to a still more developed sytem" ("Selected Works of Lenin," Vol 2, p 808) Then can we say that monopoly is also a new basic point of socialism?

The article "New Basic Point" holds that "the emergence of capitalist joint stock companies has played a tremendously great role in realizing the separation between ownership and management power and between government administration and enterprise management. The realization of these two separations has stimulated the capitalist economy to develop on an unprecedented scale and at an unprecedented growth rate." This viewpoint is open to question. First of all, government administration and enterprise management had always been separated in capitalist countries. This separation is not the product of the joint stock company but is determined by capitalist private ownership. However, in the wake of the development of capitalism, it is now becoming an increasingly prominent trend that capitalist governments are stepping up their intervention in enterprises' operation. This kind of intervention is effected mainly through the regulaton of the external environment for enterprise operation, such as government purchase, subsidization, change in tax rate and exchange rate, transfer of patented technology, subsidization of scientific and technological research, and so on, which may affect enterprises' decision-making. The argument of the article "New Basic Point" that the joint stock company as a form of enterprise organization will facilitate the separation between government administration and enterprise management is groundless. In the next place, as a matter of fact, the emergence of capitalist joint stock companies has facilitated the separation between the ownership and management of enterprises and thus given an impetus to the development of capitalist production. This is an aspect of the issue. [paragraph continues]

The other aspect, perhaps the more important aspect, is that the capitalist joint stock company as a form of enterprise organization has considerably speeded up the process of concentration of capital and production, the accumulation of capital, and the application of new technology; in other words, the joint stock company has aggravated, from a macroeconomic point of view, the haphazard and anarchic state of capitalist production, resulting in frequent crisis.

We hold that in analyzing socialist joint stock companies, one cannot concentrate one's attention solely on the separation between ownership and management power. In socialist joint stock companies, the mechanism governing the relations between the ownership and management power works in two ways. In the first place, as far as the relations between the state and the enterprise are concerned, we want to appropriately separate ownership from management power, so that the state will only take care of the formulation of the cardinal principles and the enterprise will undertake day-to-day operation and decision-making. In the next place, the enterprise as an economic cell, in selling its shares, is to integrate the shareholder's power, duties, and interests with the motive force for enterprise development and to combine ownership and management power so that it will become an independent economic entity which assumes full responsibility for all profits and losses. While turning socialist enterprises into joint stock companies step by step, we must strengthen the state's macroscopic control over the economy mainly by financial and monetary means, so as to maintain a balance between the aggregate supply and the aggregate demand in social production and to guide enterprises in formulating correct development policies.

WAN LI ATTENDS OPENING OF HUANG HE BRIDGE

HK010137 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 30 Sep 86

[Excerpts] A solemn ceremony to open the Zhengzhou Huang He road bridge to traffic was held on 30 September. [passage omitted]

Present at the ceremony were Wan Li, member of the Political Bureau of the CPC Central Committee, member of the CPC Central Committee Secretariat, and vice premier of the State Council; Huang Hua, vice chairman of the NPC Standing Committee; Mu Qing, Yu Mingtao, Zheng Guangdi, (Ma Yimin), (Du Kunyong), (Zhao Jinghua), and (Zuo Jianchang), responsible comrades of state departments concerned; Yang Xizhen and (Zhu Chao), responsible comrades of Jinan Military Region and other units; and Zhang Runsheng, vice governor of Hebei.

Also present were responsible comrades of the Henan provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, CPPCC, and Military District including Yang Xizong, Liu Zhengwei, He Zhukang, Zhao Di, Han Jingcao, Song Yuxi, Yue Xiaoxia, and Zhan Jingwu. [passage omitted]

Vice Governor Hu Tiyun declared the ceremony open at 1040. (Zhang Jinghui), deputy head of the leadership group for construction of the bridge, then reported on the construction work. He said: This bridge runs from Nanyuankou of Zhengzhou City on the south to Liuan Village in Yuanyang County on the north of the river. The bridge is 5,550 meters long. It is at present China's longest road bridge. [passage omitted]

Meets Beijing Workers

OW011350 Beijing XINHUA Domestic Service in Chinese 0634 GMT 1 Oct 86

[Text] Beijing, 1 Oct (XINHUA) -- Meeting with workers' representatives from the service, medical treatment and public health, environmental protection, and gardening circles at the Great Hall of the People, Beijing this morning, Vice Premier Wan Li said: I hope you all will conscientiously study and carry out the resolutions of the 6th Plenary Session of the 12th CPC Central Committee and do your best in building a civilized capital.

Present at the meeting and celebrating the National Day with the representatives were Tian Jiyun, Chen Pixian, Duan Junyi, Cheng Zihua, Peng Chong, Lei Jieqiong, as well as Secretary of the Beijing Municipal CPC Committee Li Ximing and Beijing Mayor Chen Xitong.

Wan Li greeted the staff and workers from the above-mentioned lines of work and thanked them for their contributions to building the capital. He urged them to become new type people with lofty ideals, moral integrity, education, and a sense of discipline and to be an example for the whole country in the fields of urban construction and service work.

Wan Li also called on all departments concerned to pay attention to the living conditions of these workers, so that they would perform better at work.

More than 200 representatives were at the meeting. After the meeting, they elatedly climbed up to the rostrum of Tiananmen to look at the colorful, festive sight of the square.

PENG ZHEN PARTICIPATES IN ANNIVERSARY TEA PARTY

OW010603 Beijing Domestic Service in Mandarin 1200 GMT 29 Sep 86

[Excerpt] On the occasion of the 50th victory anniversary of the Red Army's Long March the Jiangxi Provincial CPC Committee and the provincial people's government held a tea party today at the Great Hall of the People in honor of the veteran Red Army men and cadres of Jiangxi origin now residing in Beijing.

The happy gathering of some 200 veterans filled the whole hall with a festive mood similar to that of a get-together of comrades-in-arms. Leading comrades including Peng Zhen, Yang Shangkun, Yang Dezhi, Yu Qiuli, Chen Pixian, Deng Liqun, Hao Jianxiu, Bo Yibo, Hong Xuezhi, Kang Keqing, Yang Chengwu, and Wang Enmao happily posed for phots with Red Army veterans. [passage omitted]

Wang Shaofen, secretary of the Jiangxi Provincial CPC Committee, told the Red Army veterans at the tea party that in rebuilding the old revolutionary area Jiangxi has set clear goals for the Seventh 5-Year Plan of solving the food and clothing problem for Jiangxi's people within 3 years and shaking off poverty within 5 years. Jiangxi ;is also striving to build the province into a new land with a prosperous economy, a strong culture, and advanced science and technology, where people lead a relatively well-off life, by the year 2000.

JIANGSU LEADERS ATTEND NATIONAL DAY GALA

OW011220 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 30 Sep 86

[Text] The Jiangsu provincial people's government, the Political Department of the Nanjing Military Region, and the Nanjing City people's government held a get-together this afternoon to celebrate the 37th founding anniversary of the People's Republic of China. It was held at the auditorium of the Nanjing Military Region. Gathering and openheartedly talking about the achievements made on all fronts were representatives of various circles from Jiangsu Province and Nanjing City and party, government, and military leaders. They noted that they will conscientiously study the Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization on a priority basis, truly understand its spiritual essence, simultaneously carry out the building of the two socialist civilizations, promote a full-scale reform and opening to the outside world, and strive to build a socialism with Chinese characteristics.

Attending the get-together were Jiang Weiqing, Nie Fengzhi, Du Ping, Xiao Wangdong, members of the Central Advisory Commission; leaders of Jiangsu Province and Nanjing City Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Sun Jiazheng, Liu Lin, Chu Jiang, Cheng Weigao, Hu Fuming, Luo Yunlai, (Xu Zhi), Zhang Yaohua, Zhang Chenhuan, Liu Ping, and others; responsible persons of the Nanjing Military Region Xiang Shouzhi, Fu Kuiqing, Liu Lunxian, Yu Yongbo, Zheng Zhubo, and others; and responsible persons of the Nanjing Military Region's Army, Air Force, and Navy academies and of the Jiangsu Military District (Jiang Yixian), (Yan Jun), Li Gai, (Zhen Shen), (Ye Dewang), and others. Also present at the get-together were responsible persons of various departments in Jiangsu Province and Nanjing City, of all democratic parties and people's organizations, and personages from different circles totaling more than 2,000.

Programs performed by famous comic dialogue show hosts Ma Ji, Zhao Yan, Jia Jiguang, Wei Lanzhu, and other performers were well received.

JINAN PLA HOLDS NATIONAL DAY CELEBRATION

SK010806 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Sep 86

[Excerpts] On the evening of 30 September, Shandong Province, Jinan City, and the Jinan Military Region jointly held a soiree at the Bayi Auditorium of the military region to warmly mark the 37th anniversary of the PRC's founding. [passage omitted]

Joyfully attending the soiree were more than 2,000 persons, including leading comrades from the party, government, and army organs; cadres, staff members, and workers from various fronts; commanders and fighters of PLA units; and the masses from various social circles.

Attending the soiree were leading comrades from the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial people's government, the provincial CPPCC Committee, and the provincial Higher People's Court, including Jiang Chunyun, Yang Xingfu, Yang Yanyin, Cao Wansheng, He Guoqiang, Gao Changli, Wang Runzhai, (Dai Feng), Li Yu, (Su Yongshun), (Li Farong), Li Zhen, Xiao Han, Xu Leijian, Zhang Zhusheng, Xu Jianchun, Lin Ping, Feng Lizu, Yan Qingqing, Ma Shizhong, Ma Lianli, Song Yimin, Zhu Qimin, Li Zhicao, Zhou Xingfu, Zhou Zhenxing, Guo Yicheng, Xu Wenyuan, Zheng Weimin, Jin Baozhen, Liu Yong, Yang Da, and Han Bangju.

Also attending the soiree were leading comrades of the Jinan Military Region and responsible comrades from the leading organs and the Discipline Inspection Commission under the Military Region and from the major PLA units stationed in Jinan City, including Li Jiulong, Song Qingwei, Xu Chunyang, Hao Baoqing, (Yuan Shoufang), (Liu Shaoxian), (Lin Ping), (Jing Guoqiang), Lin Jigui, and Zhang Zhenxian; members of the CPC Central Committee and the Central Advisory Commission currently in Jinan City, including Chen Renhong, Tan Qilong, and Kong Shiquan; veteran comrades who are currently in Jinan City, including Gao Keting, Zhang Ye, Chen Lei, Yang Jieren, Zhu Benzheng, Wang Baomin, Liu Gan, Zhang Jingtao, Wang Zhe, Li Lin, Li Sijing, Tian Haishan, Bai Yanbo, Wang Liang, Wang Weitian, and Wang Xing; former leading comrades of the Jinan Military Region and responsible comrades of the former leading organs of the military region, including Xiong Zuofang, Ouyang Ping, Zhang Zhi, Ren Sizhong, and Xu Zhongyu; and retired veteran comrades from the military region, including Sun Jixian, Zuo Qi, Li Ba, Zhao Bingan, and (Wu Huaicai).

Prior to the soiree, the leading comrades of the provincial and city party and government organs and the Jinan Military Region, as well as the cadres and the masses from various social circles, happily got together to speak glowingly of the tremendous change prevailing in the work of conducting reforms and enforcing the policy of opening to the outside world throughout the motherland and to express their determination to earnestly study and implement the resolution adopted by the CPC Central Committee on the guiding principles of building the socialist spiritual civilization under the encouragement of the spirit of 6th Plenary Session of the 12th CPC Central Committee and to uphold the principle of building socialist spiritual and material civilizations simultaneously in order to great the convocation of the 13th CPC Congress with outstanding achievements scored in modernization building and conducting overall reforms. [passage omitted]

SHANGHAI MAYOR GIVES NATIONAL DAY RECEPTION

OW011020 Shanghai City Service in Mandarin 1100 GMT 30 Sep 86

[Text] To mark the 37th anniversary of the founding of the PRC, Mayor Jiang Zemin hosted a reception at the Shanghai Exhibition Center this afternoon for foreign consuls general, consuls, and their wives in Shanghai; foreign guests currently visiting Shanghai; foreign experts, teachers, and technicians working in Shanghai; and Taiwan compatriots and Overseas Chinese in Shanghai. Rui Xingwen and other municipal party, government, and military leaders attended the reception. Mayor Jiang Zemin proposed a toast.

GUANGZHOU PUNISHES CRIMINALS FROM OTHER PROVINCES

HK300853 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 29 Sep 86

[Text] On the morning of 28 September, public security organs in all districts and counties of Guangzhou City severely punished a number of criminals who fled from other areas. Some 103 criminals were arrested under the law and 22 were sent to reform through labor. These criminal elements, who fled to Guangzhou from Liaoning, Heilongjiang, Shandong, and other provinces and cities and the province's Huilai and Lufeng, have frenziedly committed such crimes as robbery, theft, and swindling. They have seriously jeopardized public security and the safety of the property and lives of the masses.

On the morning of 25 August, (Zhao Xiangling), a criminal element who fled to Guangzhou from Sichuan, stole some 26,000 Hong Kong dollars, 600 yuan of foreign exchange certificates, and 160 yuan from an Overseas Chinese surnamed Xie and a Hong Kong resident surnamed Liang in the (Huatai) Hotel. He was later arrested by a public security organ.

WUHAN REMOVES ILLEGALLY ELECTED DISTRICT LEADER

OW022040 Beijing XINHUA Domestic Service in Chinese 0119 GMT 2 Oct 86

[By reporter Mei Jun]

[Excerpts] Wuhan, 2 Oct (XILNHUA) -- The 31st Session of the Standing Committee of the 7th Wuhan City People's Congress adopted a resolution on 27 September revoking the decision of the Third Session of the Second People's Congress of Dongxihu District that illegally elected Zhou Renfang deputy head of the district. Zhou Renfang will be assigned to another post by the department concerned. [passage omitted]

After an investigation to find out the facts, the city People's Congress Standing Committee came to the following conclusion with regard to the two deputy district heads elected by the Third Session of the Second Dongxihu District People's Congress: Hu Boping's election conformed to the legal procedure and should be considered valid. Zhou Renfang was chosen as a formal candidate based on the result of a second preelection vote plus some ballots cast afterwards outside the meeting. Since this was in violation of the legal procedure, his election is invalid.

HUNAN LEADERS CELEBRATE NATIONAL DAY IN CHANGSHA

HK020757 Changsha Hunan Provincial Service in Mandarin 1100 GMT 1 Oct 86

[Excerpts] Today is National Day, on which we mark the 37th anniversary of the founding of the state. Red lanterns are hung high everywhere in Changsha, and colored flags are fluttering in the wind. [passage omitted]

Around 0700, tens of thousands of people wearing beautiful clothes flocked to various National Day celebration gatherings at parks. Following a crowd of people, we came to the Revolutionary Martyrs Park. [passage omitted]

At 0900, the National Day celebrations at the park began amidst thunderous sounds of firecrackers and drum beats. [passage omitted]

The celebrations were attended by the provincial leaders, including Mao Ziyong, provincial party committee secretary, and Governor Xiong Qingquan. Beaming with satisfaction, they stepped forward on the reviewing stand and expressed season's greetings to the people.

Also present were other party and government responsible comrades of the province and city, including Wan Da, Yin Changmin, Qi Shouliang, Liu Guoan, Huang Daoqi, Guo Sen, and Wang Zhongfu, as well as representatives of veteran Red Army soldiers and aged cadres. [passage omitted]

SHENZHEN SEZ TO HIRE HEADS, DEPUTIES OF BUREAUS

OW030910 Beijing XINHUA in English 0850 GMT 3 Oct 86

[Text] Shenzhen, October 3 (XINHUA) — The municipal government of Shenzhen announced yesterday its intention to hire heads and deputy heads of ten bureaus.

The positions open to applications include the top posts of the Labor Bureau, Administration of Justice, Industrial and Commercial Administration, Credit Bank, Information Center, and Scientific and Technological Development Center.

Applications will also be accepted for personnel in such special fields as management, economic theory, import and export, city construction and development.

The notice states that cadres and workers, under the age of 50, and currently working in the city can apply. The applicants must be in good health and must have specialized training above the secondary school level.

Candidates will also be evaluated on their ability in management and organization, logical thinking, moral integrity, and political consciousness, the notice said.

In the first half of this year, the city government has already successfully appointed the heads and deputy heads of the bureaus of auditing and standard measuring, through this type of open application process.

TAINTED LIQUOR KILLS IN GUIZHOU; ARRESTS FOLLOW

OW302030 Beijing XINHUA in English 1816 GMT 30 Sep 86

[Text] Guiyang, September 30 (XINHUA) -- At least 20 people are dead and more than 1,000 have been poisoned in this capital of Guizhou Province after drinking liquor laced with methanol, which was believed to be prepared by a gang and sold to local merchants, officials said today.

Police have arrested six people in Zhijin County of the same province, and seized 675 liters of industrial alcohol which has a methanol base and 2,000 liters of the poisonous liquor in the house of the suspected gang leader.

Teams of medical workers have been mobilized to give emergency treatment to anyone who suffers side effects from the poisonous brew. The mayor of Guiyang has made a televised speech calling upon citizens to guard against poisoning and go to the nearest hospitals for help if they feel ill after drinking brew from unlabelled bottles.

The city government has also banned the selling of bulk alcohol without a proper manufacturers label, the officials added.

Tests by local medical departments show that every 100 millilitres of the poisonous liquor contains 12.5 grams of methanol, 313.5 times higher than that permitted by the state and some are found even 775 times higher.

Bootleggers often add methanol to their brew in order to cut production costs and make the drink stronger.

When methanol enters the blood stream, it first causes blindness and then affects liver and kidney functions, all of which can lead to death, according to local medical workers.

The first victims began feeling bad on September 23. According to the mediccal workers, it can take two to six [days] before side effects from drinking the methanol laced brew develop.

Police have arrested Yu Zhenggang and five others in Zhijin County, and are investigating the case.

Since the incident occurred, the city's party committee and government adopted immediate measures to prevent the spread of illegal liquor.

A XINHUA Domestic Service commentary on the incident today said some retailers are cheating by ignoring the Food Hygene Law which stipulates retailer must ask for quality certificates when buying from wholesalers.

If retailers demand certificates it would prevent people from selling their illegally produced goods.

The commentary said only by strictly implementing the Food Hygiene Law can such incidents be eliminated.

XINHUA Commentary

OW010507 Beijing XINHUA Domestic Service in Chinese 1130 GMT 30 Sep 86

[XINHUA reporters Shi Baohua and Chen Jinwu commentary: "Safeguard the Authority and Sanctity of the Law — On Guiyang City's Alcohol Poisoning Incident"]

[Text] Beijing, 30 Sep (XINHUA) — An alcohol poisoning incident caused by drinking liquor made from industrial alcohol was repeated again in Guiyang City, Guizhou, today. Its grave consequences are simply shocking.

China's "Food Hygiene Law" explicitly stipulates:

Those who process food or engage in retail sales of food should ask for certificates of food inspection or laboratory test reports, according to relevant regulations, when they purchase food. Food wholesalers should guarantee that they are supplied. However, when some stores and peddlers purchased this loosely-packed liquor -- without trademark label or name of producing brewery — they failed to ask for a certificate of inspection or a laboratory test report. Nor did they apply to the food hygiene supervisory departments for inspection. They extremely irresponsibly sold the poisonous liquor to consumers. This undoubtedly gave the green light to a few criminal elements who are making and selling poisonous liquor, thus leading to grave alcohol poisoning incidents.

We must keep this lesson, which was paid for in blood, firmly in mind. Those who investigate and handle this serious incident must not only resolutely and sternly punish the criminal elements making poisonous liquor, but also check on how the local departments concerned are implementing the "Food Hygiene Law." It is necessary to sternly educate those departments, units, or individuals that do not observe or strictly enforce the law. Those whose actions have serious consequences must also be investigated to ascertain responsibility, in accordance with law. Only when all members of society seriously act according to law can we plug loopholes and foil and expose a few outlaws' criminal activities in good time.

Over the past few years incidents of entrapping consumers have emerged one after another in some places. In some places the departments concerned often fail to strictly investigate and handle unlawful practices such as giving short measure; doing shoddy work and using inferior materials; adding imitation goods or inferior products to a shipment of merchandise; making and selling imitation commodities; and making and selling fake liquor, fake medicine, and various fake and poor-quality commodities that endanger the people's lives and health. Some unlawful practices and their consequences are quite grave, but the criminals often get away after paying a fine or are lightly punished. As a result, a few lawless persons feel secure in the knowledge that they can break law by paying a fine and receive light punishment for heavy crimes. They dare to trample on law and discipline.

The grave incident of more than a thousand people in Guiyang City suffering alcohol poisoning again incites us: We must strictly handle any law-breaking practice in accordance with law. Those who should be punished by law must be so punished without mercy. We must safeguard the authority and sanctity of the law.

BEIJING CELEBRATES 37TH PRC NATIONAL DAY CELEBRATION

OW011936 Beijing XINHUA in English 1650 GMT 1 Oct 86

[Text] Beijing, October 1 (XINHUA) — At just one of the many functions taking place on National Day party and state leaders joined more than 20,000 Beijing residents at a party this evening in the Great Hall of the People to mark the 37th anniversary of the founding of the People's Republic of China.

Guests came from a wide cross section of the Chinese capital, including officers and men of the Chinese People's Liberation Army and many others who dressed in their festival costumes.

Artists from the Navy art troupe performed songs and dances in the meeting hall. On the other three floors people played Chinese chess, weiqi (go chess) and bridge. As well, electronic games, the black arts and acrobatics attracted large numbers of visitors.

The grant Tiananmen Square is decorated with a huge temporary flower garden. Large neon signs, which spelt out slogans such as "Invigorate China" and "Long Live the Motherland", flanked the Tiananmen rostrum and conspicuously towered over the more than one million visitors gathering on the square and the Changan Avenue.

More than 1.6 million visitors toured the eight largest parks in the capital free of charge. The Zhongshan Park near the Tiananmen Square had over half a million visitors, an official from the Organization Committee told XINHUA. Free films were also shown to visitors in all the major cinemas and theatres in the metropolis. A football match in the Workers Stadium was intermediated by a mammoth fireworks display.

The party in the Great Hall of the People will continue tomorrow.

HEBEI HOLDS FORUM ON ECONOMIC RESTRUCTURING MAGAZINE

SK020949 Shijiazhuang HEBEI RIBAO in Chinese 18 Sep 86 p 1

[Text] At the forum on editing and publishing ZHONGGUO JINGJI TIZHI GAIGE ZAZHI [MAGAZINE OF CHINA'S ECONOMIC SYSTEM REFORM] sponsored on 17 September, Gao Shanquan, vice chairman of the State Commission for Restructuring of the Economic System, talked about the goal and principles for reform work and the tasks we should fulfill in the next 2 years. He said: The goal of reform in the coming 2 years is to establish monetary markets and elementary markets for the means of production. The reform should be carried out in accordance with the resolutions adopted at the 3d Plenary Session of the 12th CPC Central Committee and the central authorities' proposals on the Seventh 5-Year Plan. The principles for carrying out the reform work in the near future are to "formulate an overall design, conduct a whole range of reforms, and conduct the work in order of importance and in a step-by-step manner." From now on, we should attend to the following five tasks in conducting urban reform. First we should establish markets for the means of production, particularly markets for steel products. Second, we should reform the monetary system and establish monetary markets. Third, we should conduct a reform of the macroeconomic base and link reform of macroeconomic control with that of the microeconomic mechanism. Fourth, we should reform the housing system and carry out residential commercialization. Fifth, we should restructure the government organizations and link reform of the political system with that of the economic system. This forum opened in Shijiazhuang on 17 September.

LIAONING CITY COMMITTEE RULES ON CASES

SK022322 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 29 Sep 86

[Text] On 29 Septmeber, the Fushun City CPC Committee held an open trial for the cases of party-member cadres who had violated the discipline. At the trial, eight party-member cades, including (Qi Shourang), Standing Committee member of the city party committee and vice mayor of the city, and (Yu Zhongxun), chairman of the City Planning Commission, were punished in line with the party and adminstrative disciplines on charges of violating the foreign affairs discipline and embezzling foreign exchange.

In March 1985, the city textile front organized three observation groups to make business trips abroad, in which seven persons, including (Qi Shourang), Standing Committee member of the City party committee and vice mayor of the city, and (Xu Quanzhi), secretary of the leading party members' group under the city Commission for Economic Relations With Foreign Countries and chairman of the commission, were principal members of the groups. They defrauded the authorities of more than $1,200 of foreign exchange by seriously violating the foreign affairs discipline, perpetrating fraud and deception, and paying no attention to the dignity of the country and officials in seeking false recepts from foreign businessmen. They also defrauded the authorities of more than $1,600 of foreign exchange by presenting false recepts for petty expenses. They deliberately left their food bills for foreign businessmen, secretly pocketed more than $6,200 of food per diem, bought foreign goods including videotape recorders by illegally obtaining foreign exchange, and evaded customs duty on the pretext of gifts given by foreign businessmen. They also wasted $10,665 of foreign exchange by extending their return date arbitrarily.

In June 1985, (Yu Zhongxun), chairman of the city Planning Commission, went abroad with an observation group. During his observation tour in foreign countries, he bought sample products for the city stainless steel industrial company and defrauded the company of $397 and a stainless steel pot by presenting false receipts. In addition, in the name of sample products, he defrauded the authorities of electronic calculators.

In order to strictly enforce party discipline, the city party committee and the city Discipline Inspection Commission decided to punish (Qi Shourang) by placing him on 1-year probation within the party and to dismiss him from his post of vice mayor; to dismiss (Xu Quanzhi) from his post of secretary of the leading party members' group under the city Commission for Economic Relations With Foreign Countries and from his post of chairman of the commission; to give (Wu Jingku) a party disciplinary warning and to dismiss him from his post of deputy manager of the textile industrial company; to give (Li Xuegan) a strict disciplinary warning and to dismiss him from his post of president of the city branch of the Bank of China; to give (He Tiewen) a strict disciplinary warning and to dismiss him from his post of director of the textile industrial company's managerial office; to give (Yan Bin), director of the Policy Research Office under the city people's government, a strict disciplinary warning; and to give (Gao Yiquan), chief of the city wool sliver plant, a strict disciplinary warning. The city party committee and the city Discipline Inspection Commission also decided to recover all money and foreign exchange embezzled by them, and to punish (Yu Zhongxun) by placing him on a 2-year probation within the party, to dismiss him from his post of chairman of the city Planning Commission, and to recover all money and goods embezzled by him.

QINGHAI LEADERS MEET WORKERS ON NATIONAL DAY

HK020815 Xining Qinghai Provincial Service in Mandarin 2330 GMT 1 Oct 86

[Excerpt] On 1 October, provincial and Lanzhou City leading comrades went to factories, mines, shops, hospitals, transport units, and PLA units to call on comrades who stood fast at their posts on National Day, and extended holiday greetings to them.

On the morning of 1 October, provincial party committee Secretary Yin Kesheng drove to the Vining Steel Plant. After listening to a work report by a responsible person from the plant on production and the building of spiritual civilization in the plant this year, he urged all cadres, staff, and workers of the plant to earnestly study and implement the CPC Central Committee Resolution on Guiding Principles for the Building of Socialist Spiritual Civilization, and to grasp material and spiritual civilization simultaneously. Then, Comrade Yin Kesheng went to the No 1 Steelmaking Workshop and Power Workshop to call on the workers. [passage omitted]

CORRECTION TO SHAANXI BUILDS MISSILE SIMULATOR

The following correction pertains to the item headlined "Shaanxi PLA Builds Missile Simulator Trainer," published in the 30 September China DAILY REPORT, page T 2, only paragraph, lines three and four:

...Center at the 2d Artillery Technical College [jiefangjun di er paobing jishu xueyuan]. The first group of the two sub system [zi xitong] simulators connected by... (providing Chinese and rewording for clarity)

COMMUNIST ATHLETES NOT WELCOME TO COMPETE IN TAIWAN

OW021001 Taipei CNA in English 0934 GMT 2 Oct 86

[Text] Taipei, Oct. 2 (CNA) -- The Executive Yuan Thursday reiterated the government's policy of separating sports from politics and agreed that Republic of China athletes are allowed to take part in competitions in Communist countries if invited.

However, the Yuan said, athletes from Communist countries are not welcomed to compete in the Republic of China since almost all Communist countries use sports for political ends.

In response to a joint written interpellation from 11 legislators regarding the large invitational baseball tournament to be held in Taiwan this November, the Yuan repeated the government's policy of separating sports and politics.

It has been learned that the Republic of China Baseball Association is actively preparing for the International Invitational Baseball Tournament in Taipei, in which the world's leading baseball players will be invited to participate.

Answering another interpellation by Legislator Lin Lien-Hui, the Yuan ruled that citizens of the Republic of China are prohibited from taking leisure trips to any Communist country in order to preserve the nation's anti-communist policy and protect its people from being adversely affected by communism.

SPOKESMAN SAYS TAIWAN TO UPHOLD GATT PROVISIONS

OW301105 Taipei CNA in English 0951 GMT 30 Sep

[Text] Taipei, Sept. 30 (CNA) -- The Republic of China [ROC] will stand by the provisions of the General Agreement on Tariffs and Trade, although the country is no longer a member of the organization, Foreign Ministry spokesman Cheyne J. Y. Chiu said.

Speaking at a monthly press conference sponsored by the Government Information Office, Chiu told local reporters that the government is watching closely developments pertaining to Peiping's application to join GATT. "We will continue to observe the relevant provisions of GATT to enhance international free trade and cooperation," Chiu said.

Commenting on the ROC's plan to rejoin Gatt, Chiu said, "Gatt is an organization in which multilatral agreements are laid down by member countries to increase free trade. At this stage, there are still obstacles for us in reentering this organization."

SPOKESMAN COMMENTS ON SINO-SOVIET RAPPROCHMENT

OW301407 Taipei CNA in English 1354 GMT 30 Sep 86

[Text] Taipei, Sept. 30 (CNA) -- Communist China's threat to the Republic of China and the Free World will remain unchanged whether Peiping improves its relations with Moscow or not, said Foreign Ministry Spokesman Cheyne J. Y. Chiu Tuesday at a routine press conference at the Government Information Office.

Chiu said that the Soviet Union has been courting the Chinese Communists in recent months. The Peiping regime is also trying to reach a rapprochement with Moscow in an attempt to blackmail Western democratic countries, particularly the United States, to make more concessions to its requests.

The spokesman pointed out that both Peiping and Moscow are Communists regimes and that they share a common goal of communizing the world. Therefore, Chiu said, any attempt to seek an alliance with Communist China to check the Soviet Union will turn out to be an unrealistic illusion.

Chiu said that Polish and East German Communist Party chiefs visited the Chinese mainland recently, indicating Peiping has spared no effort to court friendship with Soviet allies in East Europe.

FURTHER ON NEW POLITICAL PARTY FORMATIONS

Organizing Called Inappropriate

OW300611 Taipei CHINA POST in English 27 Sep 86 p 12

[Text] During interpellations yesterday, Legislator Lin Yu-hsiang urged the government to stop a handful of local nonpartisans from collaborating with a violent overseas group in forming the so-called "Taiwan Democratic Party" in the United States.

In answer to Lin's interpellation, Minister of Justice with Shih Chi-yang said the government has reiterated that organizing political parties is not appropriate at this time and place.

Legal action will be taken against the minority group if it goes ahead and forms a political party, the minister said.

According to foreign wire reports from Washington, Hsu Hsin-liang, a founder of the so-called "Taiwan Democratic Party", announced that he would return to Taiwan later this year and try resuming political activity at the risk of being arrested.

Hsu, a former member of the Taiwan Provincial Assembly, was out of the country in 1979 when he was charged with sedition for alleged involvement in the Dec. 10, 1979 Kaoshiung Incident.

"Taiwan Independence Morement" has been labeled a violent entity by the California state government and a former key member of the movement, Hung Cheh-sheng, is now an active member of the "Taiwan Democratic Party."

Lin pointed out that the "Taiwan Democratic Party" is a mere front of the "Taiwan Revolutionary Party."

The lawmaker noted that Hsu has been an advocate of socialism and has called for the overthrow of the Republic of China Government by violent means.

Lin urged the government to take proper action and prevent naive local nonpartisans from joining Hsu.

Minister Shih said the ban on political parties exists because the Chinese communists have not reled out using force against Taiwan.

KMT To Delay Action

HK300939 Hong Kong AFP in English 0914 GMT 30 Sep 86

[By Hsin-hsin Yang]

[Text] Taipei, Sept 30 (AFP) -- The ruling Kuomintang (KMT) will not take immediate measures to crack down on an opposition group which has formed a political party in defiance of a 37-year-old ban, informed sources said Tuesday.

The KMT will look into the nature of the Democratic Progress Party (DPP) before deciding on what legal steps to take, said the sources who asked not to be named.

The Tangwai Research Association for Public Policies (TRAPP), Taiwan's major opposition group, said Sunday that 135 Tangwai members had signed a declaration announcing the creation of the DPP at a meeting earlier in the day.

The meeting was called to select candidates to contest December 6 elections to the National Assembly and Legislative Yuan (Parliament).

The fledgling party's constitution, policy platform, structure and personnel arrangements have yet to be worked out by a 10-member committee, and the sources said that the authorities would first determine whether the DPP could be classified as a political party before taking further action.

Justice Minister Shih Chi-yang reiterated Tuesday that anyone who broke the party ban would be dealt with by the law.

Mr. Shih told Parliament that "the government has repeatedly stated that the formation of new political parties is improper at this place and time. If a few people ignore the reality and organize a polical party, they will be dealt with in accordance with the law."

Three top KMT officials met tuesday with a senior advisor to President Chiang Ching-kuo and three independent academics to discuss ways to resume the dialogue with the opposition suspended indefinitely in June by TRAPP after two meetings.

The four intermediaries, who had persuaded the KMT and Trapp to open the dialogue in May to ease confrontation, declined immediate comment on the new party but called on both sides to show restraint.

The local press has urged the KMT not to take drastic measures against the DPP "before the matter is cleared."

"The non-partisans might be only trying to express their determination to create a party in the announcement, which is not tantamount to organizing a real party," the UNITED DAILY NEWS said.

The newspaper also called on the authorities to adopt mild counter-measures to "avoid triggering fears and misunderstanding in Taiwan and overseas and further confrontation with the opposition."

"A crackdown would destroy the political harmony which both the KMT and the opposition have been trying to achieve together in the past months, and lead to social instability," it said.

The newspaper urged the KMT's top policy-making body, the Central Standing Committee, to speed up reform plans on controversial issues such as the party ban, martial law and local government to strengthen the party's political image.

The KMT allowed TRAPP to open branch offices in May following their first meeting, but insisted that it register with the Interior Ministry as a civilian organization and drop the word Tangwai from its name -- which literally means "Outside of the (KMT) Party."

TRAPP has opened 13 offices since then without complying with the conditions.

Government Position Unchanged

OW301405 Taipei CNA in English 1350 GMT 30 Sep 86

[Text] Taipei, Sept. 30 (CNA) -- The government position against the formation of new political parties has never changed, Justice Minister Shih Chi-yang said Tuesday.

Answering an interpellation from Legislator Liu Hsing-shan on the formation of a new political party by some oppositionists on Sept. 28, Minister Shih said that he made the government stand clear while answering an interpellation from Legislator Lin Yu-hsiang on Sept. 26.

Shih said that the people of the Republic of China enjoy freedom of assembly and the right to form political groups. But, Shih said, organizing political parties is not appropriate at this time due to considerations of state security.

Shih stressed that the government will deal with the formation of new political parties by a few individuals in accordance with the law.

Another legislator Huang Ho-ching also interpellated whether Hsu Hsin-liang, a founder of the so-called "Taiwan Democratic Party," will be arrested if he returns from the United States. Shih said that the authorities concerned will handle his case in accordance with law. Shih added that he has made this statement before in reply to an interpellation by Legislator Lin Yu-hsiang.

KMT Warns Nonpartisans

OW010413 Taipei CNA in English 0250 GMT 1 Oct 86

[Text] Taipei, Sept. 30 (CNA) -- A three-member KMT task force responsible for communication with nonpartisans issued a statement Tuesday asking nonpartisans not to try to take any illegal or drastic actions or underestimate the government's determination to carry out rule of law.

Liang Su-jung, leader of the task force and deputy secretary general of the KMT Policy Coordination Committee, commented on a recent statement by some nonpartisans on their decision to set up a political party in this nation. He said that if the nonpartisans' announcement of organizing a new political party is only in the preparatory stage, it will accept the suggestion of four scholars who serve as mediators between the KMT and nonpartisan groups that the task force merely relay the nonpartisans' intention to the government authorities.

The task force said that the KMT has not changed its policy of establishing a consensus with nonpartisans in order to achieve social harmony and fulfill democracy.

Any illegal or drastic actions taken by nonpartisans will inevitably lead to turbulence in this society and thus affect the normal development of democracy, the task force said, expressing the hope that nonpartisans will not underestimate the government's determination to carry out rule of law.

Meanwhile, national policy advisor Tao Pai-chuan and three professors of National Taiwan University who serve as intermediaries also called on the ruling party and nonpartisans to abide by their commitment to adhere to constitutional rule.

PREMIER URGES NATION TO HAVE 'SENSE OF CRISIS'

OW010425 Taipei CNA in English 0255 GMT 1 Oct 86

[Text] Taipei, Sept. 30 (CNA) -- Premier Yu Kuo-hua has called on the people of this nation to recognize the special situation this nation is in and to have a sense of crisis while living in this peaceful and prosperous age. In response to an interpellation by Legislator Lin Lien-hui, Premier Yu Kuo-hua pointed out that the Chinese Communist regime has never given up its attempt to employ all means available to undermine this nation. On the other hand, the nation will do its best to deal with the Chinese Communist offensives and accomplish its mission of national recovery, he said.

Some people here think that the nation is now in peacetime because they cannot hear any bombardment or see any battle here. Lacking a sense of crisis, they often call for democracy without due respect for law or abuse their freedom to the extent of endangering social order or damaging the nation's image.

Yu quoted President Chiang Ching-kuo as saying that "the enemy's absurd and silly united front tactics are not so horrible, what is really horrible is that we lose our direction in the environment we are in."

The government is determined to maintain a free and rational society featuring democracy and rule of law and is not afraid of coping with any challenges, Yu said.

Responds on Petition Rights

OW300617 Taipei CHINA POST in English 27 Sep 86 p 12

[Text] Premier Yu Kuo-hua yesterday reiterated that the government will not allow street demonstrations to interfere with civil rights, obstruct government affairs or disrupt social order.

The people are free to petition, the Premier said, but this should be done in accordance with the law.

The public should not use their dissatisfaction as a pretext to stage street demonstrations and affect social stability, Yu said.

He stressed that the government has tolerated recent street demonstrations.

Naturally, this will affect social stability, hamper traffic flow and policemen, bound by their duties, will at times have to take appropriate action, he said.

If the government falls short of the expectations of some people, they can make themselves heard in various ways, Yu said.

The people can also readily take legal steps, he said.

The government respects the people's right to petition, but petitioning is neither the only nor the last resort, tHe Premier said.

The Premier denied that the government has ever put pressure on the mass media.

Yu made the statements in answer to interpellations by Legislators Tsai Sheng pang, Wu Teh-mei and Kuo Jung-tsung yesterday.

The lawmakers urged government officials to receive petitioners earnestly and try their best to understand their problems.

Top priority should be given to the interests of petitioners to avoid deeper misunderstandings, the legislators said.

The legislators said the government now understands the new trends and problems in the country.

"People power" is a strong trend that can not be overlooked, they said.

The new problems can not be solved by mere administrative measures, the lawmakers said. These problems involve social structural change, and adjustment in administrative attitudes, they added.

DEFENSE MINISTER DEFENDS MARTIAL LAW TO YUAN

OW010101 Taipei CHUNG YANG JIH PAO in Chinese 25 Sep 86 p 1

[Editorial: "Martial Law Should Not Be Lightly Lifted"]

[Excerpts] On 23 September Taiwan Defense Minister Wang Tao-yuan told the 78th Session of the Legislative Yuan that in order to maintain the national security and the welfare of the people, it is proper and necessary to proclaim martial law according to due procedure. [passage omitted]

In the past 30-some years, our nation has strictly practiced constitutional democracy and vigorously launched national construction projects. That our people are rich and happy and out economy is thriving has become a serious threat to the Mainland Chinese Communists. For this reason the Chinese Communists are casting a covetous eye on us from the other side of the strait and have spared no effort to strike us through the united front. Their desire to take us has never stopped in the past 30 years, and it has now become even more pronounced. Faced with such an imminent threat, the only means that we can use to counter the Chinese Communist threat and safeguard our society is martial law. [passage omitted]

Overseas Chinese know the current situation of our country quite well. They best know that the Chinese Communists attempt to attack and disintegrate us. Therefore, it is imperative that the Republic of China proclaim martial law in order to preserve national security and the stability of the society.

Should we proclaim martial law? There are pros and cons. Some people hold that it will leave a bad impression at home and abroad if we exercise martial law for too long. Since the current martial law imposes no obvious influence on the people's daily life it seems that some other means could preserve security and stability.

However, there are some other people with ulterior motives, who want to make trouble in the name of opposing martial law, and even want to use violence to test the government's will and resolution. [passage omitted] The more the illegal clamour and activities are, the less possible it is for martial law to be lifted. [passage omitted]

We would like to repeat the common view held by most members of the Taipei City Council: "Our nation's future lies in unity and harmony." Let martial law ensure the fruit of our unity and harmony, further stabilize our country, and bring more prosperity to our society.

MINISTER RESPONDS TO QUESTIONS ON COMMUTATION

OW010509 Taipei CNA in English 0309 GMT 1 Oct 86

[Text] Taipei, Sept 30 (CNA) -- While the people here are intensifying their call for better social order and increased efforts to crack down on crime, the government has to be very careful and consider possible side effects before announcing a general reduction of sentences on convicted criminals, Justice Minister Shih Chi-yang said Monday.

In response to an interpellation by Legislator Li Kung-chuan, Shih said that although a general commutation for certain categories of criminals would not affect the government's power to punish law breakers, the announcement of a nationwide commutation for all categories of criminals would bring adverse effects against the people's interest and social tranquility in the long run. The government has to be very careful before announcing a general commutation to prevent such a measure from affecting national security and social order, he said.

On the suggestion that the government allow those prisoners who were convicted of corruption to be released on bail, Shih said that before the statutes for punishment of corruption are revised, the government will not consider allowing them to be released on bail. This is to show the government's determination to improve government administration and eliminate corruption, he said.

GOVERNMENT TO UPHOLD ELECTION LAW DURING CAMPAIGN

OW010447 Taipei CNA in English 0302 GMT 1 Oct 86

[Text] Taipei, Sept 30 (CNA) -- Minister of the Interior Wu Po-hsiung said Tuesday that law will be appropriately enforced during the upcoming parliamentary elections in the Republic of China in order to maintain social order.

Speaking at an interpellation session of the Legislative Yuan, Wu called upon all would-be candidates to obey the law in order to assure the elections at the end of this year will be a success. The period of the election campaign is not a "holiday from the law," he said.

The government will make great efforts to maintain the solemnity of the election law, allowing nobody to violate it, he added.

During the meeting legislator Huang Ho-ching said that "vote buying and violence" remain problems in this country's elections and urged the government to take effective measures to get rid of them.

Huang also pointed out that some candidates have often taken illegal actions during elections in the name of democracy. He asked the government to prosecute such candidates according to the law in order to safeguard national security and social stability.

In reply to his remarks, Minister Wu said the central elections committee has just adopted regulations prohibiting further use of bribery and violence in elections. The committee will also try to persuade the general public to boycott such acts through social education and mass communications.

Democracy can be promoted only through the rule of law, he added.

FINANCE MINISTER SUGGESTS LOWERING TARIFFS

OW010519 Taipei CNA in English 0246 GMT 1 Oct 86

[Text] Taipei, Sept 30 (CNA) -- Finance Minister Robert C. Chien in a Legislative Yuan session Tuesday said that his ministry will suggest in a proposal package in November that the Executive Yuan lower tariff rates further on more than 1,000 categories of goods.

Chien also said a customs committee meeting will be held Wednesday in his ministry to discuss the reduction of tariff rates on 140 categories of goods.

Responding to legislator Hung Yu-chin's asking the government to cope with the rapid accumulation of foreign exchange reserves, Chien made known the proposal. It is widely feared that the nation's huge foreign exchange reserves, which reached the U.S. $36 billion mark at the end of August, will touch off inflationary pressure.

The government has been watching carefully the rising money supply and studying adequate countermeasures, Chien said.

For instance, the government has raised the ceiling of remittances abroad allowed to ROC [Republic of China] citizens, and has eased the restrictions on domestic companies seeking to invest overseas. Chien said the government will also lift up most of the controls on imported goods, which so far still require import visas.

TRADE SURPLUS, FOREIGN EXCHANGE RESERVES GROW

OW011343 Taipei CNA in English 0931 GMT 1 Oct 86

[Text] Taipei, Oct. 1 (CNA) — The Republic of China's [ROC's] trade surplus for the January-September period this year topped U.S. $10 billion, initial customs clearance tabulations indicated.

Officials of the council for economic planning and development said Tuesday that the country's trade surplus and foreign exchange reserves were still growing rapidly.

They predicted that excess trade would reach U.S. $15 billion by the end of the year, far higher than the projections evaluated by the Council for Economic Planning and Development and the Directorate General of Budget, Accounting and Statistics.

The Directorate General of Budget, Accounting and Statistics estimated earlier that the trade surplus for 1986 would hit U.S. $13 billion, while that for the third quarter of the year would reach U.S. $2.9 billion.

Due to strong expectations of appreciation of the local currency, exports during August were particularly strong, trade officials said. Imports were slow and sagging.

The disclosed that during July and August, the trade surplus accumulated to more than U.S. $3 billion, higher than the projected U.S. $2.9 billion.

Outbound shipments, however, slowed down in September, and the volume of foreign goods delivered to Taiwan started to expand, leading to an excess of U.S. $1 billion.

Meanwhile, officials of the Council for Economic Planning and Development forecast that the ROC's foreign exchange reserves would hit more than U.S. $40 billion.

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XINHUA NOTES FOREIGN GREETINGS ON PRC NATIONAL DAY

OW030627 [Editorial report] Beijing XINHUA Domestic Service in Chinese at 1837 GMT on 30 September and at 1537 and 1427 GMT on 1 and 2 October transmits three reports on foreign party and government leaders greeting the 37th anniversary of the founding of the PRC.

None of the contents of any of the messages is provided by Beijing XINHUA, only from whom a message was received and to whom it was addressed. The messages were not listed in any apparent order, either by the number of strokes. alphabetically, or geographically.

Those who sent telegrams to PRC leaders to greet the founding anniversary are as follows as listed in order by Beijing XINHUA:

Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK;

Nicolae Ceausescu, general secretary of the Romanian Communist Party Central Committee and president of the Socialist Republic of Romania, and Constantin Dascalescu, prime minister of the Romanian Government;

Sinan Hasani, president of the SFRY presidency;

Samdech Norodom Sihanouk, prresident of Democtratic Kampuchea; Son Sann, prime minister of the Coalition Government of Democratic Kampuchea; and Khieu Samphan, vice president in charge of foreign affairs;

Erich Honecker, general secretary of the SED Central Committee and Chairman of the State Council of the German Democratic Republic; Willi Stoph, chairman of the Council of Ministers; and Horst Sinderman, president of the People's Chamber;

Wojciech Jaruzelski, chairman of the State Council of the Polish People's Republic; and Zbigniew Messner, chairman of the Council of Ministers;

Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party and chairman of the State Council of the People's Republic of Bulgaria; and Georgi Ivanov Atanasov, chairman of the Council of Ministers;

Jambyn Batmonh, chairman of the People's Great Hural Presidium of the Mongolian People's Republic; and Dumaagyn Sodnom, chairman of the Council of Ministers;

Hussain Mohammad Ershad, president of the People's Republic of Bangladesh;

Muhammad Husni Mubarak, president of the Arab Republic of Egypt;

Patrick Hillery, president of Ireland;

U San Yu, president of the Socialist Republic of the Union of Burma;

Kenan Evren, president of the Republic of Turkey;

Richard von Weizacker, president of the Federal Republic of Germany;

Zail Singh, president of the Republic of India;

Kingsford Dibela, governor general of Paupa New Guinea;

Saddam Husayn, president of the Republic of Iraq;

Dawda Kairaba Jawara, president of the Republic of Gambia;

Mengistu Haile Mariam, general secretary of the WPC Central Committee, chairman of the Provisional Military Administrative Council of Socialist Ethiopia, and commander in chief of the revolutionary army;

Didier Ignace Ratsiraka, president of the Democratic Republic of Madagascar;

Hafiz al-Asad, president of the Syrian Arab Republic;

Zayid ibn Sultan Shaykh al-Nuhayyan, president of the United Arab Emirates;

Hugh Desmond Yoyte, president of the Cooperative Republic of Guyana;

Truong Chinh, chairman of the State Council of the Socialist Republic of Vietnam;

Elizabeth II, queen of the United Kingdom of Great Britain and Northern Ireland;

Abdou Diouf, president of the Republic of Senegal;

Mario Soares, president of the Portuguese Republic;

Ninian Stephen, governor general of Australia;

France Albert Rene, president of the Republic of Seychelles;

Ahmed Abdallah Abderemane, president of the Federal Islamic Republic of the Comoros;

Sir Veerasamy Ringadoo, governor general of Mauritius;

General Andre-Dieudonne Kolingba, president, chief of state, and chief of Government of the Republic of Central Africa;

Gen Mohammad Ziaul Haq, president of the Islamic Republic of Pakistan;

Jean-Baptiste Bagaza, president of the Republic of Burundi;

Amin al-Jumayyil, president of the Republic of Lebanon;

Jaime Lusinchi, president of the Republic of Venezuela;

Mathieu Kerekou, chairman of the Central Committee of the Benin People's Revolutionary Party, president and chief of state of the republic, and chairman of the National Executive Council;

Maj Gen Ibrahim Babangida, president and commander in chief of the Federal Republic of Nigeria;

Corazon Aquino, president of the Republic of the Philippines;

Sultan Iskandar Al-Haj, paramount ruler of Malaysia;

Hirohito, emperor of Japan;

Jose Sarney Costa, president of the Federative Republic of Brazil;

Vere C. Bird, prime minister of Antiqua and Barbuda;

Carlos Nunez Tellez, president of the National Assembly of the Republic of Nicaragua;

David Russel Lange, prime minister of New Zealand;

Prem Tinsulanon, prime minister of the Kingdom of Thailand;

The Presidium of the Supereme Soviet of the USSR and the USSR Council of Ministers;

Jigme Singye Wangchuk, king of Bhutan;

Pal Losonczi, chairman of the Presidential Council of the Hungarian People's Republic, and Gyorgy Lazar, premier of the government;

Gustav Husak, president of the Czechoslovak Socialist Republic, and Lubomir Strougal, premier of the government;

Souphanouvong, president of the Lao People's Democratic Republic and concurrently president of the Supreme People's Council, and Kaysone Phomvihan, chairman of the Council of Ministers;

Milanko Renovica, president of the Presidium of the Central Committee of the League of Communists of Yugoslavia;

Spyros Kyprianou, president of the Republic of Cyprus;

Husayn ibn Talal, king of the Hashemite Kingdom of Jordan;

Maumoon Abdul Gayoom, president of the Republic of Maldives;

Birendra Bir Bikram Shah Dev, king of Nepal;

Qabus ibn Sa'id, sultan and prime minister of the Sultanate of Oman;

Hissein Habre, president and head of state of the Republic of Chad;

Hassan Gouled Aptidon, president of the Republic of Djibouti;

Flt Lt Jerry John Rawlings, head of state and chairman of the Provisional National Defense Council of the Republic of Ghana;

Daniel Teroitich Arap Moi, president and commander in chief of the Armed Forces of the Republic of Kenya;

Moshoeshoe II, king of Lesotho;

Dr Samuel Kanyon Doe, president of the Republic of Liberia;

General Moussa Traore, general secretary of the Mali People's Democratic Union, and president of the Republic of Mali;

Hassan II, king of Morocco;

Samora Moises Machel, president of the Mozambique Liberation Front and the People's Republic of Mozambique;

Brigadier General Seyni Kountche, president of the Supreme Military Council and head of state of the Republic of Niger;

Major General Mohamed Siad Barre, president of the Somali Democratic Republic;

Ali Hassan Mwinya, president of the United Republic of Tanzania;

Ellis Clarke, president of the Republic of Trinidad and Tobago;

Ramiz Alia, president of the Presidium of the Peoples Assembly of the Socialist People's Republic of Albania;

Baudouin, king of Belgium;

Christos Sartzetakis, president of Greece;

Agatha Barbara, president of the Republic of Malta;

Ronald Reagan, president of the United States of America;

(Nolan Makongbe), acting president of the Republic of Zimbabwe;

Yasuhiro Nakasone, prime minister of Japan;

Robert Mugabe, president and first secretary of the Zimbabwe African National Union (Patriotic Front), and prime minister of the Republic of Zimbabwe;

Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization and commander-in-chief of the Palestinian Liberation Army;

Wee Kim Wee, president of the Republic of Singapore;

Colonel Mu'ammar al-Qadhdhafi, revolutionary leader of the Socialist People's Libyan Arab Jamahiriya;

Colonel 'Ali 'Abdallah Salih, president of the Yemen Arab Republic;

Captain Thomas Sankara, president of Burkina Faso;

Felix Houphouet-Boigny, president of the Republic of the Ivory Coast;

Hadj Omar Bongo, president of the Gabonese Republic;

Joao Bernardo Vieira, chairman of the Council of State of the Republic of Guinea-bissau;

Joseph Momoh, president of the Republic of Sierra Leone;

Yoweri Museveni, president of the Republic of Uganda;

Kenneth David Kaunda, president of the Republic of Zambia;

Virgililo Barco Vargas, president of the Republic of Colombia;

Leon Febres-Cordero, president of the Republic of Ecuador;

Miguel de la Madrid Hurtado, president of the United Mexican States;

Alan Garcia Perez, president of the Republic of Peru;

Mauno Koivisto, president of the Republic of Finland;

Vigdis Finnbogadottir, president of the Republic of Iceland;

Juan Carlos I, king of Spain;

Carl XVI Gustaf, king of Sweden;

Alphons Egli, president of the Swiss Confederation;

'Isa ibn Salman al Khalifah, emir of the State of Bahrain;

Khalifah ibn Hamad al Thani, emir of the State of Qatar;

and Javier Perez de Cuellar, secretary general of the United Nations.

GROUP OF 77 WELCOMES PRC PARTICIPATION IN GSTP

OW040922 Beijing XINHUA in English 0800 GMT 4 Oct 86

[Text] United Nations, October 3 (XINHUA) -- Foreign ministers of the Group of 77 countries today welcomed China's desire to participate in the negotiations on the Global System of Trade Preference (GSTP) among developing countries.

In a statement issued after their 10th annual meeting here this afternoon, the group said that the foreign ministers' meeting agreed to "invite China to participate in the capacity of observer at the meeting of the Negotiating Committee on GSTP at the ministerial level" to be held in Yugoslavia in September next year.

Because of the opposition of one Asian country of the group, the foreign ministers' meeting, instead of making a clear-cut decision on China's participation in the GSTP negotiations, only agreed to "request the negotiating committee on GSTP to examine this matter and to submit its views to the ministerial meeting of the G-77" preceding the 7th United Nations Conference on Trade and Development.

The foreign ministers of the Group of 77, at the end of their three-day meeting which began on September 29, held an extended meeting today to discuss China's participation in the GSTP negotiations after their internal consultations yesterday.

According to U.N. diplomatic sources who attended the group's meeting, an overwhelming majority of the foreign ministers who spoke at the meeting welcomed China's participation. However, due to the opposition by this Asian country under the pretext of procedural and other problems, the meeting failed to decide on accepting China as a full member of the GSTP negotiations.

The sources held that the foreign ministers' statement is a positive result achieved by the majority of the member countries who welcome China's participation. The decision to request the Geneva-based negotiating committee on GSTP to examine the matter is only but a compromise with the consequence of deferring China's participation. The sources said that many member countries had indicated their wishes that this particular Asian country will take into account the views of the majority of member countries and change its attitude toward China's participation in the GSTP negotiations.

In his letter to the chairman of the Group of 77 prior to the foreign ministers' meeting of the group, Li Luye, China's permament representative to the United Nations, stated that "the Chinese Government is of the view that GSTP constitutes a major instrument for the expansion of economic and trade relations among developing countries and the promotion of South-South cooperation and that GSTP occupies a prominent place in the activities of economic cooperation among developing countries."

As a developing country, Li said, "China has consistently supported the negotiations on GSTP and is much concerned about the developments in this regard." On behalf of the Chinese Government, Li indicated in the letter that "China wishes to participate in the negotiations on GSTP so as to further strengthen the existing close ties between China and the Group of 77 and contribute to enhancing the ability of collective self-reliance as well as promoting economic development of the developing world."

COMMENTS ON UPCOMING U.S.-SOVIET REYKJAVIK SUMMIT

Foreign Ministry Spokesman

OW050832 Beijing XINHUA in English 0822 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Chinese Foreign Ministry spokesman today expressed the hope that the coming U.S.-Soviet summit meeting held in Iceland could be conducive to the relaxation of international tension and the maintenance of world peace.

In reply to questions by foreign correspondents here, the spokesman said, "We welcome the U.S.-Soviet summit meeting and hope that the United States and the Soviet Union will negotiate in good earnest and reach agreements on the drastic reduction of armaments without detriment to the interest of other countries so as to be conducive to the relaxation of international tension and maintenance of world peace."

XINHUA Analysis

OW051114 Beijing XINHUA in English 1052 GMT 5 Oct 86

["News analysis: What Do Gorbachev and Reagan Expect of Reykjavik Meeting?" -- XINHUA Headline]

[Text] Moscow, October 5 (XINHUA) -- The announcemnet that Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan have agreed to meet in Reykjavik, Iceland next week appears to have eased the strain in Moscow-Washington relations, but it is far from clear about what can be expected of their "interim" or "working" meeting.

The proposal for such a meeting was put forward by Gorbachev and accepted by Reagan. Both sides say the meeting is to pave the way for a second summit in Washington later this year.

At their first meeting in Geneva last November, Gorbachev and Reagan agreed to meet again in the United States this year. However, relations between the two countries have experienced a hard time since the beginning of this year.

Each time when it extended its unilateral moratorium on nuclear testing in the past nine months, the Soviet Union called on the United States to join in the test ban; but the call was rejected by Washington again and again, which argues that the ban was not in the interest of U.S. defense and has continued its nuclear explosions.

After the Unitd States raided Libya in mid-April, the Soviet Union cancelled a scheduled meeting between its Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz.

In September, Soviet-U.S. relations dropped to a new low because of the Daniloff case. Not long after Soviet police arrested American journalist Nicholass Daniloff on charges of spying on August 30, President Reagan warned that his new summit with Gorbachev would be impossible unless Daniloff was released.

Though the Soviet foreign minister and U.S. state secretary met several times in Washington and New York last month, yet they still failed to fix the date and agenda for the second summit.

The deadlock was broken only after Moscow set free Daniloff without trial and Washington, in turn, agreed to let the arrested Soviet employee in the United Nations Gennadiy Zakharov return home.

The day after Daniloff's departure from the Soviet Union on September 29, Moscow and Washington announed simultaneously that Gorbachev and Reagan would hold an "interim meeting" in Reykjavik, capital of Iceland, on October 11 and 12.

Shevardnadze disclosed at a press conference in New York on September 30 that Gorbachev wanted the meeting because he regarded it the "straightest and shortest way" leading to some concrete results at the second summit

Earlier in May, when Gorbachev suggested a meeting with Reagan in any European city or Hiroshima of Japan to discuss a nuclear test ban, Reagan turned down the offer. Now the U.S. President has agreed to go to Reykjavik, as he sees the possibility to reach an arms reduction agreement greater now than it was in the past few years.

According to U.S. Secretary of State George Shultz, the Reykjavik meeting is likely to reach an agreement on a disarmament program, particularly on medium-range missiles in Europe.

The Soviet side is eager to have a nuclear test ban agreement with the United States in hope of using it as a new obstacle to the U.S. "star war" program. But people are doubtful whether the U.S. side will make a compromise on the issue.

The Reykjavik meeting will also cover regional conflicts in the world. The prospect of any major breakthrough in this aspect is by no means bright since the two sides differt sharply on Afghanistan, Kampuchea, Nicaragua, South Africa and many other regional issues.

WEN WEI PO Editorial

HK060039 Hong Kong WEN WEI PO in Chinese 4 Oct 86 p 2

[Editorial: "U.S. and Soviet Leaders Will Meet in Iceland To Seek a Breakthrough"]

[Text] All of a sudden, Washington asnd Moscow simultaneously announced that a summit meeting will be held in the capital of Iceland on the 11th and 12th of this month.

The idea of a summit meeting was suggested by Mikhail Gorbachev to Ronald Reagan in a secret letter delivered through the Soviet foreign minister on 19 September. Both sides haggled over it for about 10 days. The White House staff, who were not informed of the matter until 15 minutes before Reagan's announcement, were very surprised.

The secret and favorable turn of events lay in the ecent incident of the "mutual arrest of spies," which shows that the United States has adopted a more aggressive attitude while the Soviet Union can only make a choice between detente and confrontation. If the Soviet Union wants "detente," it will have to make more concessions at the negotiating table. In an editorial on 23 September, THE WALL STREET JOURNAL pointed out: Being a very good "card player" Reagan can bid at a time when he is most sure of winning and gain the upper hand.

The Soviet Union does not have many cards at its disposal. Its economic power is not strong enough to compete with the United States in the arms race. It needs a breathing spell. Taking advantage of the Soviet weak point, Reagan pointed out that "detente" is also feasible but the Soviet Union should make concessions on the questions of nuclear weapons and Afghanistan.

When they met in Geneva last year, Gorbachev and Reagan only agreed to reopen the nuclear arms control talks. They attempted to seek progress on the question of intermediate-range guided missiles and to reach an agreement on a total ban of chemical weapons.

However, the positions of both sides on "star wars" were poles apart. Due to its insufficient economic power, the Soviet Union hoped that the space arms race program could be given up. But the United States rejected this. As a gesture of reconciliation, Reagan indicated this year that the United States might delay its deployment for 7 years. However, the United States may not succeed in testing the star wars weapons in 7 years and, therefore, will not be in a position to deploy them. This appeared to be a "concession" on the part of the United States; in fact, it did not budge an inch. Reagan increased his pressure through the Libya incident and the mutual arrest of spies so that the Soviet Union and the United States were on the brink of another cold war. Gorbachev's scheduled visit to the United States this year seemed to fizzle out.

Consequently, Gorbachev gave in. He set Nicholas Daniloff free and allowed dissident Yuriy Orlov to leave the country. Later, Gennadiy F. Zakharov was tried in court and expelled by the U.S. Government. It appears that the United States has won a "victory," and U.S.-Soviet relations have taken a turn for the better. The summit meeting was therefore arranged in a very short time.

Both the United States and the Soviet Union have declared that the purpose of the Iceland meeting is only to make preparations for the summit and not to reach any agreements. In truth, both sides are so afraid that the Iceland meeting will fail that they have adopted a cautious attitude. Gorbachev has the intention of "having his eyes not on a short-term but a long-term future." To satisfy the U.S. "sense of victory," he has particularly placed the question of Afghanistan on the agenda, and is prepared to begin withdrawing troops from Afghanistan in October. On the question of reducing intermediate-range guided missiles, the Soviet Union also agrees not to include British and French missiles.

After receiving the message, in his speech at the United Nations Reagan concentrated on setting forth his position on reaching a temporary agreement on intermediate-range guided missiles, thus shifting people's attention away from the "star wars program."

In such an atmosphere of reconciliation, the U.S. and Soviet leaders will probably achieve some results at the Iceland "dialogue." The Soviet Union will probably succeed in arranging Gorbachev's visit to the United States and creating an atmosphere of detente, while the United States will also gain some political capital for the mid-term election this autumn through progress in U.S.-Soviet relations. The whole world, particularly West European countries, hopes that the United States and the Soviet Union will enter into a dialogue and reduce their differences, because any reduction in their belligerency is better than large-scale arms expansion.

RENMIN RIBAO 'Jottings'

HK040903 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 7

["Jottings" by Sai Bei (1049 0554): "More on Soviet-U.S. Summit Meeting"]

[Text] After the settlement of the Daniloff's situation the Soviet Union and the United States announced that heads of state of the two countries would hold a meeting in Iceland on 11 and 12 October, and that this meeting might make preparations for an official meeting which might possibly be convened by the end of this year. Just as this author previously pointed out, this dramatic change has shown that the United States and the Soviet Union truly have their own needs for a summit meeting.

Judging from the views aired by both American and Soviet leaders on the meeting, there seems to be a possibility of reaching a certain agreement on arms control. For example, President Reagan said: "The present possibility of reaching an agreement on arms reduction is much greater than a few years ago." Secretary of State Shultz pointed out: the view that "a consensus on a arms reduction plan might be reached" at the meeting is "reasonable enough." Soviet Foreign Minister Shevardnadze emphasized: With regard to the problem of arms control, "a breach has been made in the impasse." In view of the fact that the United States and the Soviet Union need to reduce their military expenditures, the remarks they have uttered are not without cause.

Nevertheless, it seems impossible to significantly ease the tension between the United States and the Soviet Union, and to appreciably solve problems existing between them. The conflicts between them are too acute. Neither of them is willing to give up its efforts to scramble for supremacy. The United States keeps on pursuing its "star wars" programs, whereas the Soviet Union still wants to maintain its strategic points in Afghanistan, Southeast Asia, and so on. Their confrontation is permanent and serious, whereas the easing of tension between them is only temporary and partial. However, a temporary easing of tension is better than strained relations. This is because it will provide people of various countries in the world with a good chance to fight for a lasting world peace. The true hope of safeguarding world peace should be placed on the struggle of the people of various countries who are fighting for a lasting peace.

HSIN WAN PAO 'News Talk'

HK050333 Hong Kong HSIN WAN PAO in Chinese 4 Oct 86 p 1

["News Talk" column: "U.S. and Soviet Leaders Have Their Own 'Strategies for Iceland Meeting'"]

[Text] The U.S. and Soviet leaders will meet in Iceland next week and they have decided to impose an information blackout. Nothing will be known until 2 days later when the meeting is over.

Despite this, both sides have revealed their demands and both have made their own strategic preparations.

The Soviets have been more specific and have decided on arms control and arms reduction as their major offensive objective. This is not surprising because Gorbachev has been trying to attract attention and stall the United States' "star war program" by unilaterally suspending its nuclear tests. This time, when he proposed the Iceland meeting, he still regarded this as his primary objective.

The United States has been rather vague. Its spokesman indicated that Reagan would be pleased if better understanding could be reached at the meeting. The U.S. objective in Iceland is to reduce differences.

He also revealed that the United States was not willing to confine discussion to arms control and that it insisted that regional issues also be discussed.

Soviet occupation of Afghanistan, the unrest in Latin America, and the tension in the Middle East are what the United States refers to as regional issues.

In other words, while the Soviet Union wants to discuss space (star wars) issues, the United States wants to discuss earthly (regional) issues in order to check the Soviets. The same thing happened at the U.S.-Soviet summit last year. Ten months later, the same thing has happened again.

Over the past 10 months, the United States has made some progress in its research work concerning the "star wars program." The United States took action first. Recently, in an experiment, it successfully launched an anti-missile missile, launched two satellites from a missile, and made these two satellites destroy themselves and each other in a head-on collision.

In addition, by political and economic means, the United States has managed to secure international support for its "star wars program" by making Britain, West Germany, Japan and Israel announce their participation in the research concerning this program.

In order to counter the Soviet test-ban proposal and its attempt to stall the research regarding the "star wars program," Reagan has announced that "star wars" weapons would not be officially deployed until 7 years later. In fact, it will take at least 5 to 7 years for this research to bear fruit and for this fruit to become operational.

The Soviet Union is obviously also well prepared for the regional issues which the United States wants to discuss. Yesterday, some West German newspapers revealed that Gorbachev could announce in Iceland the withdrawal of all Soviet troops in Afghanistan.

This summer, Gorbachev also said something on the withdrawal of Soviet troops from Afghanistan. However, at that time, he said that only three brigades would be withdrawn. According to West German newspapers, its entire force of 120,000 will be withdrawn this time. However, the reports are not clear enough. Will all 120,000 soldiers be withdrawn at the same time? Will some of them be withdrawn before others, as Gorbachev said this summer? What will the Soviets ask the United States to do regarding its arms supply to the guerrilla force? Will it ask that the security of the present government in Afghanistan be internationally ensured?

Yesterday, leaders of six Third World countries asked once again the United States and the Soviet Union to suspend nuclear tests. Chinese officials hope that the Soviet and U.S. leaders will contribute to upholding world peace by reaching an agreement at their meeting. Thus, it can be seen that the problem of how to avert a nuclear holocaust is indeed a world concern. However, regarding this, no one is certain whether progress will be made at the Iceland meeting.

SOVIET VICE FOREIGN MINISTER BEGINS VISIT

Arrives in Beijing

OW050830 Beijing XINHUA in English 0814 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Soviet Vice-Foreign Minister I.A. Rogachev arrived in Beijing this morning as special envoy of the Soviet Government to attend the ninth round of consultation between special envoys of the Chinese and Soviet Governments sceduled to start tomorrow.

Greeting him at the airport were Qian Qichen, special envoy of the Chinese Government and Chinese vice minister of foreign affairs, and O.A. Troyanovskiy, Soviet ambassador to China.

According to sources here, at the coming consultation discussion will be continued on the question of normalizing relations between the two countries.

This is Rogachev's third trip to China this year. In reply to a question whether the Soviet and Chinese sides were to discuss the removal of the three obstacles between the two countries, Rogachev replied, the Soviet side is ready to discuss any questions that interest both parties.

He said that the Soviet side would hold discussion according to the speech made by General Secretary Gorbachev in Vladivostok (Haishenwei) July 28.

Speaking of the Sino-Soviet relations, Rogachev held that these relations are developing.

To Discuss Gorbachev Proposal

OW051139 Tokyo KYODO in English 1131 GMT 5 Oct 86

[Text] Beijing, Oct. 5 KYODO -- Soviet leader Mikhail Gorbachev's proposal for improving Sino-Soviet relations, made in his Vladivostok speech July 28, will be a major topic at the ninth round of the bilateral normalization talks which begin here Monday.

This was predicted by Soviet delegate, Vice Foreign Minister Igor Rogachev, upon his arrival here Sunday for the negotiations with his Chinese counterpart, Vice Foreign Minister Qian Qichen.

Rogachev also told reporters that the talks would be productive, stressing that Sino-Soviet relations are getting better year by year.

The coming round will last about five days.

Rogachev's prediction suggests that his talks with Qian would reveal which points in Gorbachev's proposal China will accept or refuse.

In his Vladivostok speech, Gorbachev made a peace overture which addressed two of what China calls the three obstacles to normalizing Sino-Soviet relations -- Soviet troops in Afghanistan and in China-Soviet and China-Mongolia borders.

Gorbachev promised the pullout of six regiments from Afghanistan and proposed troop reduction in the border area. But he did not address what Beijing calls another obstacle -- Moscow's support of the Vietnamese military presence in Kampuchea.

An East bloc source here speculated that Rogachev and Qian would have a substantial exchange of views on Gorbachev's proposal. Both sides may come up with proposals regarding Vietnamese troop withdrawal from Kampuchea, the source also predicted.

According the the same source, as a first-phase step, the Soviet Union hopes for talks between the Hanoi-backed Kampuchea Government of Heng Samrin and Prince Norodom Sihanouk, president of the three-party Kampuchean resistance coalition, Democratic Kampuchea.

The East bloc source pointed to the possibility of Moscow asking Beijing to press Sihanouk to accept such talks with the Heng Samrin group.

China and the Association of Southeast Asian Nations (ASEAN) supports Sihanouk's coalition which is currently recognized as representing Kampuchea by the United Nations.

Rogachev, 54, was promoted to vice foreign minister in August from the post of head of the Foreign Minstry's First Far East Department in charge of Chinese affairs.

Chinese Foreign Ministry sources are said to highly rate the ability of Rogachev, who is fluent in Chinese, and hope his debut in the normalization talks will lead to a breakthrough in the long-dragging talks. Rogachev replaced Leonid Ilichev as delegate to the vice ministerial talks.

Meanwhile, Rogachev also disclosed to newsmen at the airport that the Soviet Union and China have already agreed to start border negotiations "early next year." Preparatory consultations are under way, he added.

Chinese Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze agreed during their New York meeting last month that the two countries will resume the border talks next year. They have been suspended since May 1978.

SOURCES SAY PRC STUDYING USSR BORDER PROPOSAL

OW040725 Tokyo KYODO in English 0714 GMT 4 Oct 86

[Text] Beijing, Oct 4 KYODO -- China has agreed to study a Soviet proposal for joint development of some islands in the Amur River, the site of fierce armed conflicts over sovereignty between the two countries since the early 1960s, according to authoritative Chinese and Eastern bloc diplomatic sources here.

The Soviet proposal, based on the "basic policy line of the Soviet Union" expounded by Mikhail Gorbachev in a July 28 speech in Valdivostok, was explained by Soviet Deputy Premier Nikolay V. Talyzin to his Chinese counterpart Yao Yilin during his Beijing visit last month, the sources said.

The proposed region includes Heixiazi, an island with a maximum width of some 4 kilometers sandwiched between two waterways, where a border conflict between Chinese and Soviet troops claimed more than 100 lives in March 1969.

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The Soviet proposal calls for shelving of claims to the islands until the sovereignty issue is settled at Sino-Soviet border talks to be resumed next year, as well as removal of tension in the border region through joint development with China.

China's Communist Party General Secretary Hu Yaobang disclosed the intention of reopening the talks in an interview with foreign visitors in mid-September, before a formal agreement on the issue between Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze in New York September 24, Chinese sources said.

Behind Hu's decision lay his positive assessment of the Soviet plan as "containing a new factor" for solution of bilateral border disputes, they said.

Hu, in the interview, also indicated the idea of opening to foreign trade Heihe, a city on the Sino-Soviet border, and Tongjiang, another city near Khabarovsk.

RESUMPTION OF CPC, CPSU RELATIONS 'DIFFICULT'

HK040828 Hong Kong TA KUNG PAO in Chinese 4 Oct 86 p 1

[Report: "It is Difficult To Restore Party Relations Between CPC and CPSU Because State Relations Have Not Yet Been Normalized"]

[Text] Beijing, 3 Oct -- Wu Xingtang, a spokesman of the CPC Central Committee International Liaison Department, said today: Soviet leaders have not yet made any reaction to date to the proposal raised by Deng Xiaoping that he or Hu Yaobang is willing to meet Gorbachev at any place inside the Soviet Union on condition that the Soviet Union stops supporting the Vietnamese invasion of Cambodia, although they have learned of the proposal.

Wu Xingtang uttered the remarks when answering questions raised at today's luncheon held by the All-China Journalists' Association.

While talking about party relations between the CPC and CPSU, Huanan Guoying, director of a department responsible for the Soviet and East European affairs said: General Secretary Hu Yaobang pointed out in his report delivered at the 12th CPC National Congress that on the basis of Marxism, and the four principles of independence, complete equality, mutal respect and noninterference in internal affairs, the CPC had prepared to develop relations with all communist parties in the world. The CPSU is not excluded in this regard. Now the problem is that the state relations between China and the Soviet Union have not yet been normalized, and that there are still obstacles to Sino-Soviet relations. Therefore, it is impractical to talk about the restoration of party relations between the CPC and CPSU under the present situation.

Wu Xingtang revealed that after the statement issued by Gorbachev at Vladivostok, Sino-Soviet talks on the border issues at the vice foreign ministerial level might be re-opened. The 9th round of talks between Chinese and Soviet vice foreign ministers held in October might discuss this matter. He added: There are 500 to 600 controversial islands inside China located to the south of the main channels of Heilong Jiang and Usuli Jiang in the northeastern part of China. According to the spirit of Gorbachev's speech, these islands belong to China.

FURTHER REPORTAGE ON LI XIANNIAN'S VISIT TO DPRK

Warmly Welcomed by Crowds

OW031458 Beijing XINHUA in English 1440 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei arrived here this morning to begin a four-day official goodwill visit to a rousing welcome by hundreds of thousands of Pyongyang residents.

The president, also a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, and his party were warmly greeted at the Sunan Airport by General Secretary of the Central Committee of Workers' Party of Korea (WPK) and President of the Democratic People's Republic of Korea (DPRK) Kim Il-song and his wife Kim Song-ae, and Poltiburo member of the WPK Central Committee and premier of the Administrative Council of Korea Kang Song-san.

Pyongyang today is gaily decorated with buntings and flowers and colorful placards were seen along the main roads of the capital. Streamers bearing words "Welcome to Chinese President Li Xiannian" hung across the streets. "Friendship" and "Solidarity" were written on boards erected along the streets and Korean and Chinese national flags were flutering on the lamp posts.

At 11:30 hours local time, Li's special plane touched down at the Sunan airport. When he stepped down from the plane, President Kim went up and the two shook hands, warmly embraced each other.

Kim Il-song introduced to President Li other Korean leaders present at the airport to greet him.

Chief member of Li's entourage Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor and foreign minister, arrived on board the same plane.

A grand welcoming ceremony was held at the airport. The national band played the national anthems of both countries and there was a 21-gun salute. Accompanied by Kim Il-song, Li reviewed a guard of honour of the three Korean armed services.

Lovely Korean girls presented bouquets to Li Xiannian and Kim Il-song. Meanwhile, two girls from the Chinese embassy here presented bouquets to President Kim and President Li.

Thousands of people gathered at the airport to welcome the Chinese guests. Girl students in beautiful national costumes danced in light steps while well-wishers shouted welcome slogans rhythmically. When the Chinese president came up to them, they cheered thunderously and Li Xiannian waved back to them happily.

Li Xiannian and Kim Il-song rode in the same open car, escorted by a team of motor-cycles, from the airport to the city center. Lining on both sides of the road, welcoming crowds, holding miniature national flags of Korea and China, singing and dancing, cheered most warmly as the motorcade passed by.

On the way, President Li stepped down from his car four times to receive bouquets presented by Korean children and souvenirs by the Pyongyang Muncipal People's Committee.

The welcome reached its climax at the Kim Il-song Square in the city center, where a chorus sang greeting songs and thousands of people performed national dances of both Korea and China.

Kim Il-song Hosts Banquet

OW031753 Beijing XINHUA in English 1737 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- Chinese President Li Xiannian and his wife Li Jiamei were honoured at a banquet hosted by Korean President Kim Il-song and his wife Kim Song-ae in the Kumsusan Assembly Hall here this evening.

Over 300 Korean and Chinese attended the banquet, among whom were Chinese Foreign Minister Wu Xueqian, Korean Premier Kang Song-san and Pak Song-chol, Yi Chong-ok, vice presidents of the Democratic People's Republic of Korea (DPRK) as well as all the members of the Chinese leader's party and senior Korean party, government and army leaders. Chinese ambassador to Korea Zong Kewen was also present on the occasion.

President Kim Il-song in his speech at the banquet, expressed warm welcome to the Chinese president in the name of the Workers' Party of Korea, the government of DPRK and the Korean people.

On relations between the two countries, Kim said that the two countries and their peoples have had a durable, traditional and unbreakable friendship.

In recent years, he added, "the relations between the two countries have been developing to a new, higher stage, adding a brilliant chapter to the glorious history of their friendship, and that a solid foundation has been laid on which they will flower forever from generation to generation."

The Korean leader praised Chinese people's achievements in attaining nationwide stability and unity and building socialism with Chinese characteristics.

"The historic change made by the Chinese poeple and the increased might of the People's Republic of China are contributing greatly to the strengthening of the anti-imerialist, independent forces the world over and to the preservation of peace and security in Asia and the rest of the world," he said.

Kim stressed that "it is the consistant policy of both the Korean and Chinese parties and governments to fight to prevent war and create peaceful environments for socialist construction."

On regional issue, he said, "Our party and the government of the republic are making every effort to ease the tension on the Korean peninsula and settle the problem of national reunification peacefully."

In addition, he said that frequent visiting and exchanging views on issues of mutual concern between the two countries' leaders "have become a fine tradition and, in the course of this, the friendship between Korea and China has been consolidated and developed continously.

At the end of the speech he stressed that "the Korean people will continue to make efforts to strengthen the traditional Korea-China friendship in future and resolutely fight to build a peaceful new world which is free from domination and subjugation, in firm unity with all the progressive people of the world."

Following Kim, President Li addressed the banquet.

Li praised the Korean people for their great achievements in their socialist construction and other fields and for having been "politically independent, economically self-supporting and self-reliant in national defence."

Li said that having completed the Second Seven-Year Plan, the Korean people are now striving to realize the 10 long-term projects envisaged for the 1980s.

In foreign affairs, Li said, the Democratic People's Republic of Korea has been pursuing a policy of independence, friendship and peace and actively developing friendly relations with various countries.

As comrades-in-arms, Li said, the Chinese people have been following closely the development of the DPRK, fully repsect its domestic and foreign policies and are pleased with every achievement the Korean people have made.

The Chinese president noted, "We always hold that the United States should stop its intervention in Korea's internal affairs, withdraw all troops and military installations from South Korea and let the Korean people resolve the issue of peaceful reunification by themselves without outside interference." He continued: "We firmly support your just stand and reasonable propositions and heartily wish new progress in your cause for national reunification. We are sure that ultimately a united and peaceful Korea will emerge."

He concluded, "I am sure that the great Sino-Korean friendship will be able to experience any sort of trials and it will be developed from generation to generation. In this way, our peoples will be benefited and it will also be a greater contribution to peace in Asia and all over the world."

The banquet is permeated with cordial friendship of fraternity of the Chinese and Korean peoples.

Wu Xueqian Visits Tower

CW031601 Beijing XINHUA in English 1515 GMT 3 Oct 86

[Text] Pyongyang, October 3 (XINHUA) -- On behalf of Chinese President Li Xiannian, State Councillor and Foreign Minister Wu Xueqian laid wreaths this afternoon at the Taesongsan Cemetary of Revolutionary Martyrs and the Korea-China Friendship Tower respectively.

The wreaths dedicated by the Chinese president at both places were with ribbons inscribed with "Eternal Glory to the Korean Revolutionary Martyrs" and "Eternal Glory to the Chinese People's Volunteers."

Located at Taesongsan Mountain, the Taesongsan Cemetery of Revolutionary Martyrs, where are buried the Korean revolutionary fighters fallen in the struggle for freedom and liberation of the Korean people, was constructed in October 1975 and reconstructed in 1985.

The Korea-China Friendship Tower, situated on the hillside north of Moranbong Park in Pyongyang, was erected in October, 1959, to commemorate the Chinese People's Volunteers' participation in the Korean war in the early 1950s. The tower now is 30 metres in height after being rebuilt in 1984.

Kim Yong-nam, vice premier and foreign minister of Korea, accompanied Wu in the wreath-laying ceremonies.

Li, Kim Holds Talks

OW041330 Beijing XINHUA Domestic Service in Chinese 0843 GMT 4 Oct 86

[Text] Pyongyang, 4 Oct (XINHUA) — Li Xiannian, member of the Standing Committee of the Political Bureau of the CPC Central Committee and state president, who is paying an official and friendly visit here, held more than 2 hours of talks with Kim Il-song, general secretary of the Workers Party of Korea and state president, at the Kumsusan Assembly Hall this morning.

When President Li Xiannian arrived at the reception room of the hall 1000 hours, President Kim Il-song, who had been waiting for him, walked vigorously forward to meet him. They shook hands and exchanged greetings.

President Kim asked: Have you rested well? President Li said: Very well. After getting out of bed in the morning, I took a walk for an hour. Presidents Li and Kim then shook hands with the other officials accompanying the two leaders.

The two presidents then walked slowly into the conference room.

Before official talks were held, the two presidents inquired about the health of leaders of the two countries. When asked, President Li said: Comrade Deng Xiaoping is very healthy. We wish him a long life. President Kim said: The people of China and Korea all wish Comrade Deng Xiaoping a long life.

President Kim said: We hope China's modernization policy will succeed. President Li said: We also hope it will succeed, but some local problems may arise.

President Kim continued by saying: "On behalf of the Workers Party of Korea, the republic government, as well as myself, I once again extend a warm welcome to you for leading a delegation to visit our country, despite your advanced age. As you are an old friend of the Korean people, we shall not adhere to diplomatic formalities during our talks."

After this, in an extremely cordial and friendly atmosphere both sides exchanged views on bilateral relations and questions of common interest to the two countries.

In the first place President Li Xiannian extended his heartfelt thanks for the warm and ceremonial welcome accorded his official and goodwill visit to Korea by President Comrade Kim Il-song, the Workers Party of Korea, the Korean Government, and the Korean people. Li Xiannian said: Six years have passed since my last visit in 1980. I am extremely pleased to see that Comrade Kim Il-song is very healthy. He also conveyed the regards of Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Chen Yun, Peng Zhen, and Deng Yingchao for Kim Il-song.

Referring to bilateral relations, Li Xiannian said: The relations between the two Chinese and Korean parties and between the two countries are very good. The exchange of visits by many important delegations from both countries each year has played a positive role in deepening mutual understanding, and in promoting cooperation, friendship, and learning from one another. Li Xiannian also said: We also have a good tradition between us, that is, leaders of our two countries meet frequently, as relatives, to exchange views. This practice was followed when Chairman Mao and Premier Zhou were alive. We should also continue to follow this practice. This type of close relationship between the leaders of our two countries is rarely seen in other countries. Both sides are convinced that the friendly relations between China and Korea will not only exist in our generation but will be passed on from generation to generation.

Li Xiannian briefed Kim Il-song on the recently held 6th Plenary Session of the 12th CPC Central Committee.

Kim Il-song briefed Li Xiannian on the economic development of Korea and the main tasks of the Third 7-Year Plan. The plan, he said, aims to solve the problems of food, clothing, and housing for the people.

Kim Il-song also briefed Li Xiannian on the situation in the Korean Peninsula. He said: Korea will adhere to its stand on holding tripartite talks and forming the Democratic Confederal Republic of Koryo. It also proposes the holding of peace talks between the two sides of North and South Korea.

Both sides also discussed the Cambodian problem. They pointed out that both sides shared the same view on this problem.

When the talks ended, President Li Xiannian presented a gift to President Kim Il-song: a jade potted landscape with a red agate "camellia." Full of vitality, the gift is a reflection of prosperity and is the symbol of peace, happiness, and longevity.

Taking party in the talks today on the Chinese side were Wu Xueqian, Li Shuzheng, Liu Suqing, Tao Siju, Xu Guibao, and Zong Kewen. Taking part in the talks on the Korean side were Yi Chong-ok, Kim Yong-nam, Kim Pok-sin, Kim Yang-kon, Yi Won-kuk, Kwak Po-kyong, and Sin In-ha.

Leaders Attend Theater

OW041632 Beijing XINHUA in English 1619 GMT 4 Oct 86

[Text] Pyongyang, October 4 (XINHUA) -- Visiting Chinese President Li Xiannian and his wife Lin Jiamei watched a performance at the Mansudae Art Theatre here this evening.

When the Chinese president and his party, together with Korean President Kim Il-song and other Korean leaders, entered the 60,000-square-metre theatre decorated with colorful lights, they received a prolonged standing ovation from the audience.

Korean artists presented an hour-long programs, half of which Chinese songs and dances. [sentence as received]

The atmosphere of friendship was heightened when the last item of the show was given -- "Song of Korean-Chinese Friendship and Solidarity" in which actors and actresses performed dances of Korea and China amidst light music.

After the performance, Li Xiannian and his party mounted th stage and shook hands with the artists. They presented a basket of flowers in expression of thanks to the Korean artists for their excellent performance, and took a photo together.

Foreign Minister Wu Xueqian and Lin Jiamei and other Chinese guests visited this afternoon Mangyongdae, President Kim's birthplace, some 20 kilometers southwest from the capital. They also visited Chuche Idea Tower, a monument to the revolutionary past of President Kim Il-song.

Earlier yesterday afternoon, accompanied by President Kim Il-song, the Chinese president watched a grand mass callisthenics held in his honor at the Kim Il-song Stadium which was occupied by more than 100,000 people. Over 50,000 Korean youth and students presented hour-long varied and colorful performances.

Li Hosts Farewell Banquet

OW051519 Beijing XINHUA in English 1457 GMT 5 Oct 86

["Li Xiannian Gives Farewell Banquet in Pyongyang (by Qi Deliang)" -- XINHUA headline]

[Text] Pyongyang, October 5 (XINHUA) -- Visiting Chinese President Li Xiannian gave a farewell banquet at the Kumsusan Assembly Hall this evening, hailing the great Sino-Korean friendship and unity and pledging to further them.

Korean President Kim Il-song and other senior Korean party, government and army leaders, the members of Li's party, and some 300 Korean and Chinese comrades attended the function.

Addressing the banquet, the Chinese president said that he and his colleagues were gratified with the success of this visit which would make contributions to the futher strengthening of Sino-Korean friendship.

Referring his talks with President Kim, President Li said they had useful discussions on the major international issues and "both sides held relaxation the situation on the Korean peninsula is of great importance to accelerating the realizaion of independent and peaceful reunification of Korea and to the peace and stability in Asian-Pasific region as a whole and further efforts must be made for this." The Chinese president said that the Chinese party and Government firmly support the propositions and proposals put forward this year by the Korean party and government for the unification of the country which include both sides stopping military exercises during the North and South talks, holding tripartite talks between the military authorities of North, South Korea and U.S. military stationed in South Korean and establishing a peaceful nuclear-free zone of the Korean peninsula.

Li said that the U.S. Government and South Korean authorities must respond to this actively, stop the annual large scale military exercises, explore seriously with the North side the practical ways for relaxing the situation on the Korean peninsula so as to create beneficial atmosphere for discussion and solution of the peaceful reunification of Korea.

In conclusion, Li expressed the confidence that the parties, governments and the peoples of the two countries will surely further strengthen the unity, cooperate closely, support and help each other in the cause of the socialist construction and the struggle for the realization of national reunifications.

Following Li, Korean President Kim Il-song addressed the banquet.

Kim said Comrade Li's visit to Korea is of great importance, which clearly showed the unbreakable Korean-Chinese friendship and was a turning point for further strengthening the unity and friendly cooperation between the parties, governments and the peoples of the two countries.

He said through this meeting and talks "we furthered the intimate relations between the leaders of the two countries and reconfirmed the common aspiration of the parties, governments and peoples of the two countries to strengthen and develop the traditional Korea-China friendship, accelerate socialist construction, and fight to preserve peace in Asia and the rest of the world."

President Kim said that the Korean people will fight to win the complete success of socialism, accomplish the cause of national reunification and preserve world peace and security.

He said the resolution adopted at the Sixth Plenary Session of 12th Chinese Party Central Committee is of great significance.

In the conclusion, President Kim said that to continue to strengthen and develop the traditional friendship between China and Korea is an unchangeable will of the Korean party, government and the people.

The banquet hosted by the visiting Chinese President proceeded in a very cordial and friendly atmosphere.

Li Xiannian is here for a 4-day official goodwill visit as the guest of Kim.

Kim Il-song Pays Return Call

OW060730 Beijing XINHUA in English 0715 GMT 6 Oct 86

[Text] Pyongyang, October 6 (XINHUA) — President Kim-Il-song of the Democratic People's Republic of Korea, and his wife Kim Song-ae paid a return call on Chinese President Li Xiannian and his wife Lin Jiamei here this morning.

The Korean leader and his wife drove to the Pakhuawon Guest House at 10:00 am local time and were warmly greeted at the entrance by President Li and his wife.

In a cordial conversation, President Li once again expressed his heartfelt thanks for the warm hospitality accorded to him by the Korean party and government during his four-day visit.

The two leaders expressed satisfaction with the complete success of Li's visit.

Li Ends Visit, Returns Home

OW060934 Beijing XINHUA in English 0926 GMT 6 Oct 86

[Text] Pyongyang, October 6 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei left here for home by special plane this afternoon after winding up a successful four-day official goodwill visit to the Democratic People's Republic of Korea.

During his visit, President Li and President Kim Il-song had a thorough exchange of views on the present international situation, the situation in Asia and on the Korean peninsula in particular. The two leaders shared identical views on all matters discussed.

Accompanied by President Kim and his wife, Li Xiannian and his party drove directly from the Pakhuawon Guest House to the airport. Hundreds of thousands of people lined up on both sides of the streets in the capital to see the Chinese guests off.

When the motorcade arrived at the airport, thunderous cheers broke out from thousands of people gathering there, who waved Korean and Chinese national flags, bidding farewell to the Chinese distinguished guests.

A grand farewell ceremony was held at the airport. The military band played the national anthems of both countries. Li, accompanied by Kim, reviewed a guard of honour of Korea's three armed services.

Then the two leaders warmly shook hands with and embraced each other before they parted reluctently.

Foreign Minister Wu Xueqian and other members of Li's party also left by the same plane.

XINHUA NOTES CLOSE OF THE ASIAN GAMES IN SEOUL

OW051300 Beijing XINHUA in English 1133 GMT 5 Oct 86

["Seoul, Asian Games Closes in Fanfare by Sportswriter Hao Zhangyin" -- XINHUA headline]

[Text] Seoul, October 5 (XINHUA) -- Blowing of traditional horns and trumpets, beating of drums and gongs and a dazzling flashlight show brought to conclusion the 16-day Seoul Asian Games at the olympic stadium here this evening.

Flashlights in five colors on the stands formed "Ever Onward" and "See You in Beijing" as the floodlights in the stadium dimmed.

At 19:00 hours local time, the closing ceremony began with bell beating and pompous fanfare. As athletes representing 27 countries and regions entered the stadium in mixed ranks amidst court music, the audience gave a long ovation.

Flags of the Olympic Council of Asia and the hosts of this and next Asiad were hoisted when Chinese scenes appeared on the electronic scoreboard.

Seoul dancers in their colorful costumes gave beautiful performances that depicted oriental traditions, culture and life.

The most valuable player Yu Nam-kyu, chosen by a panel of ten journalists yesterday, was awarded a replica of the Yi Sang-paek Cup amidst cheers and applause. As Yu had left for China for the Asian Table Tennis Championships scheduled to open next Tuesday, his father received the replica on his behalf.

The president of the Seoul Asian Games Organizing Committee, Pak Se-chik, said in his closing address that this moment of celebration "is also a moment of pledging ourselves anew towards a better tomorrow and everlastng progress.

Shaykh Fahad al-Ahmad al-Sabah, president of the Olympic Council of Asia, declared the Tenth Asian Games closed.

Then, the flag of the Asian Games was lowered and handed over to Seoul Major Yom Po-hyon. It will be handed over to the mayor of Beijing when the Eleventh Asian Games open in Beijing in 1990.

The sacred flame was extinguished as dancers mixed themselves with athletes, who sang the folk song, "Arirang," to say farewell to each other and promised to meet again in Beijing in 1990.

NEPAL PRIME MINISTER PRAISES NEPAL-PRC RELATIONS

OW260913 Beijing XINHUA in English 1858 GMT 25 Sep 86

[Text] Katmandu, September 25 (XINHUA) -- Nepalese Prime Minister Marich Man Singh Shrestha said here today that based on the principles of peaceful co-existence, Nepal and China have maintained good relations since the establishment of diplomatic relations in 1955.

The prime minister made the remarks at a public meeting sponsored by the Nepal-China Friendship Association marking the 37th national day of the People's Republic of China at the city hall this evening.

He noted that Nepal always stresses the view of peace for development and pays high tribute to China's support for the proposal that Nepal be declared a zone of peace.

The prime minister also praised China's economic assistance for Nepalese development. With strengthening economic and trade cooperations and establishing airlink between Katmandu and Lhasa in the near future, the two countries' relations will be promoted and grow closer day by day.

On the occasion, Purna Bahadur M.A., chairman of Nepal-China Freindship Association, said that China is the most reliable friend of Nepal. China's aid contributes to Nepal's efforts for achieving economic self-reliance, he added.

Tu Guowei, Chinese ambassador to Nepal, expressed his deep confidence that China-Nepal friendship conforms to the basic interest of the two countries and contributes to preserving the regional peace.

Earlier, the Nepalese prime minister cut the ribbon for the opening of an exhibition on China's development with 320 colour pictures reflecting the progress in various fields of China.

At the same time, a Chinese film festival has begun at the city hall. Seven feature films and some documentary ones will be shown from September 25 to 29 to mark China's National Day.

HUANG HUA MEETS WITH IRANIAN GOODWILL DELEGATION

OW250119 Beijing XINHUA in English 1814 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, met an Iranian goodwill delegation led by Dr. Abdollah Jafar Ali Jasebi, president of Iranian Islamic University and deputy general-secretary of the Islamic Republican Party, here today.

The delegation is the first of the kind to visit China at the invitation of the Chinese People's Association for Friendship With Foriegn Countries.

JINGJI RIBAO DISCUSSES SPIRITUAL CIVILIZATION

HK031405 Beijing JINGJI RIBAO in Chinese 25 Sep 86 p 1

[Commentator's article: "Let the Building of Spiritual Civilization Penetrate Into All Economic Fields"]

[Text] The building of socialist spiritual civilization was proposed under the new situation, which is characterized by shifting the work focus of the entire party to modernized economic construction. In order to make the economy leap, we have implemented all-round reform and opening up to the outside world under the premise of adhering to the four cardinal principles. This new situation has provided favorable conditions for the building of spiritual civilization, namely, the building of socialist spiritual civilization must prepare the public for the development of socialist productive forces, penetrate into every economic field, and embody every respect of the economy, politics, culture, and social life.

Socialist spiritual civilization is a broad based concept. Its substantial parts include education, science, ideology, culture, art, public health, and sports. The development of all these fields relies on the upgrading of productive forces. At the same time, socialist spiritual civilization directly shapes and spurs productive forces and provides spiritual motive forces and intelligence support for the development of material civilization.

Science, education, and culture are important components of socialist spiritual civilization. Their further devlopment depends on the development of material conditions; they are at the same time revolutionary forces that guide and spur economic development. Science and technology (including social sciences) themselves are a kind of productive forces. Education shoulders the important tasks of upgrading the workers' ideological qualities and knowledge in science and culture, as well as their labor skills. Its results have a direct bearing on productive forces. Cultural and artistic qualities are important elements of the workers' abilities and type of indirect productive forces. Well developed science, education, and culture are the basis for the development of modern productive forces. A major task in building socialist spiritual civilization is to work hard to develop undertakings of science, education, and culture on existing material basis and to link them closely with the undertakings of science, education, and culture on the existing material basis, in order to upgrade the workers' ideology and morality and their level of culture, science, and technology.

Another important component part in the building of socialist spiritual civilization is the people's spiritual life, mental state, changes in these respectes need a certain foundation of material civilization, but in turn, spur the building of material civilization. The reform and opening up in recent years have brought about a series of positive changes in the spiritual life, mental state, and ideological concept of thousands upon thousands of people. They are abandoning conventional ideas and concepts and enthusiastically facing modernization, the world, and the future. These laudable changes have emerged under the condition of the continuous, steady, and harmonious development of the national economy and the ever improving living standards of the people. They also serve as a tremendous spiritual motive force to further develop the economy and to improve the people's living standards.

Still another important essence of building socialist civilization is the building of socialist morality. Morality, as the behavioral norm of socialist construction, is the spiritual force of the new-type social relations between man and man, as well as a force to promote the development of productive forces. Professional ethics and social morality, in particular, have a conspicuous effect on productive forces. Lofty professional ethics will strengthen the sense of responsibility and enterprising spirit of the workers in doing their jobs and is helpful in adopting a good attitude toward their work as well as cultivating the virtue of showing respect to customers. This is indispensable to upgrading the quality of products, service, and work. Lofty social morality is helpful to establishing and developing new-type human relations based on equality, unity, friendship, and mutual help. The shaping of a good social atmoshpere will reduce friction between workers. This is very important to promoting reform and the four modernizations.

Establishing a high level of democracy and improving the legal system in order to guarantee such democracy is also an important component of building socialist spiritual civilization. The building of democracy is inseparable from economic activities. Political structural reform, such as separating functions of the party and government, decentralizing power, streamlining administrative organs, reforming the cadre system, and improving the policy decision-making process and other specific systems, raising work efficiency, and further expanding socialist democracy and the legal system, is to meet the needs of economic structural reform as well as to invigorate the enterprises and further develop a material civilization, a high level of democracy and a complete and perfect legal system will lose the base of its growth and target of development.

Our country and nation have a common ideal and target of struggle. This is the powerful spiritual pillar of our society, as well as the important embodiment of the building of spiritual civilization. This common idea is to build socialism at present, and communism in the future. The first step of the common target is to build China into a socialist country with a "comparatively well-to-do" living standard by the year 2000; and the second step is to build China into a modernized socialist country with an economic level close to the developed countries with a prosperous civilization. Such a common ideal and target will be realized only when they are linked with the development targets and construction tasks of all trades and professions as well as all localities and collectives, and the responsiblity of the workers, peasants, and intellectuals in their posts as well as their personal pursuit of a better life, all in all, when they are linked with the building of material civilization at present.

In short, every task in building socialist spiritual civilization is inseparable from the conditions provided by the building of material civilization, and it is simultaneously the motive force that spurs the building of material civilization. To introduce the building of spiritual civilization into the activities of material production of every trade and profession and to spur the economic construction in every field is the correct direction of the development of building socialist civilization.

SPIRIT OF SCIENTIFIC WORK EXAMPLE FOR REFORM

HK031002 Beijing GUANGMING RIBAO in Chinese 21 Sep 86 p 3

[Article by Liu Xiyao (0491 6007 1031), Li Su (2621 5685), Hou Xianglin (0186 4382 7792), Lu Da (7120 4594), Tao Hengxian (7118 0077 0752), and Tao Tao (7118 3447): "A Joint Battle of Historic Significance To Tackle Key Scientific and Technological Problems — the Development of New-Type Materials in Retrospect"]

[Excerpts] In the late 1950's and early 1960's, in line with the unified plan of the CPC Central Committee, under the loving care of Comrades Zhou Enlai, Deng Xiaoping, He Long, Li Fuchun, Bo Yibo, and Luo Ruiqing, and with Comrade Nie Rongzhen taking personal charge, the State Scientific and Technological Commission, the Commission on Science, Technology and Industry for National Defense, and the Office of the National Defense Industry organized a joint battle to develop "new-type materials," precision instruments, and large equipment needed for atom bombs, guided missiles, and high-performance aircraft. At that time, a technological blockade was enforced upon our country and we were confronted with an economic difficulty lasting for 3 years. In a short span of several years, by carrying forward the spirit of working hard for the vast numbers of scientists and technicians succeeded in developing tens of thousands of new materials, instruments, and equipment needed for modern, high-performance weapons, thus ensuring the needs of the military industry for national defense. These products are also extensively used in the current economic construction and some of them are still technologically advanced in the world. It was a joint battle to tackle key scientific and technological problems, which was both valuable and of historic significance. [passage omitted]

The situation at home and abroad today is vastly different from that in the past. The international environment in which our country was totally blockaded no longer exists and our policy of opening to the outside world has also achieved great successes. The economic, scientific and techhnological, and educational structures, which hamper the development of the productive forces, are being reformed. Fundamental changes have taken place in our country's principle of socialist economic construction. some previous practices are not completely suitable today. However, the noble spirit and work styles and the successful experience of acting according to objective scientific laws have not lost their glory and value. The ranks of scientists and technicians trained in the previous battle to tackle key scientific and technological problems are still an important force in the four modernizations program today and in our efforts to scale new heights in science and technology.

The task we face today is to concentrate our efforts on economic construction and to achieve the four socialist modernizations. compared with the battle to tackle key scientific and technological problems in those years, our task today is much more extensive in scale, greater in objective, and much more difficult. It also takes a longer time to complete. In the face of such a gigantic task, it is more necessary for us to make overall planning, to vigorously coordinate with one another, to formulate a series of policies and measures that can arouse people's initiative, and to urge scientists and workers to give play to their noble character and heroic spirit of devoting themselves to the motherland. At a crucial time of historical development like this, reviewing the previous history of the battle to tackle key problems can help encourage the vast number of scientists and technicians in our country to seize new and greater victories under the guidance of the correct principles and policies of the CPC Central Committee.

MILITARY COMMANDER HEARS BORDER GUARD REPORTS

OW060025 Beijing Domestic Service in Mandarin 1200 GMT 4 Oct 86

[Text] Recently the party committee of the Beijing Military Region asked some cadres and fighters of its frontier units, together with their wives or fiancees, to come to Beijing and give reports and make visits with a view to promoting the work of building a spiritual civilization in these units.

Today Qin Jiwei, commander, and Yang Baibing, political commissar of the Beijing Military Region, and responsible comrades from the departments concerned of the CYL Central Committee and the All-China Women's Federation heard the reports by the cadre and fighter representatives on advanced deeds in building spiritual civilization.

The frontier units of the Beijing Military Region guard nearly one-fifth of the land border of our motherland. Many of them are stationed in remote areas with very poor living conditions. These cadres and fighters are faced with considerable difficulties in seeking jobs for their dependents, getting their children into schools, and finding marriage partners.

Among the 31 members of the report group are veteran frontier guards who have worked at their posts for several decades, young fighters who willingly carry on the job of guarding the frontier without any desire for personal fame or gain, model military dependents who quietly shoulder the family responsibilities so that their husbands may work in the service, and female college students celebrations, the report group visited key construction projects in the capital and mounted the Tiananmen rostrum. The frontier guards said that the visit had further intensified their determination to settle in the border regions and dedicate themselves to the work of safeguarding the country.

MANY RED ARMY CADRES STILL ON ACTIVE DUTY

OW040247 Beijing Domestic Service in Mandarin 2230 GMT 3 Oct 86

[Text] According to JIEFANGJUN BAO, the Army's ranks include nearly 4,300 cadres who joined up during the period of the Red Army. In addition, there are Red Army cadres who have been transferred to the leading posts of local party and government organs at various levels over the years. Now all are old men of about 70. Though a few are still holding important leading positions in our army, 92 percent have stepped down from leading posts at various levels.

GUANGMING RIBAO VIEWS NEW PRESS CONCEPT

HK060121 Beijing GUANGMING RIBAO in Chinese 22 Sep 86 p 2

[Report by Xae Guoming (6200 0948 7686) and Zhong Yuan (6988 0337): "A New Concept of the Press as a Mass Medium Should Be Established"]

[Text] How should our newspapers conduct reforms for themselves so as to adapt themselves to the developments of the country's ongoing economic and political reforms? Recently the Research Institute of Journalism, under the Chinese Academy of Social Sciences, made a series of suggestions on the basis of their research on this issue. [paragraph continues]

Their suggestions were well received by press units in the capital and in some provinces and cities.

According to the "suggestions" of the Research Institute of Journalism, all major reforms are always led by a change in values. In newspaper reform, some values should also be renewed. The new concept that the press is a multi-function mass medium, for instance, should be established among newspaper people. All newspapers should delegate their functions as covering news, spreading news and knowledge, and providing entertainment and advertising. Although newspaper of different types have their own priorities in performing their functions, there should be a rational ratio among them in functional terms so that each has a role to play.

To accomplish this the "suggestions" put forth the idea of newspapers giving consideration to both propaganda and news value. Propaganda value is required by the functions of party newspapers and is necessary for giving direction to work. News is the general function of newspapers and is required by the vast number of readers. Neither should be overemphasized at the expense of the other. Newspapers should do their best to carry news stories of both news and propaganda value. This kind of contribution is the best. As for most contributions, either their propaganda value outweights their news value or the latter outweighs the former. While attaching importance to the use of the propaganda value yardstick, newspapers should raise news value to an appropriate positon and carry all the news they consider worth publication, including news on social affairs and literature and art activities, with good newsphotos, so as to meet readers' needs for more information and knowledge.

According to the "suggestions," the instructive nature (referring to directing work) of party newspapers should be strengthened in the course of reform. It is desirable to write and edit more reviews and commentaries to help readers better understand the general trends and new developments. At the same time, it is necessary to attach importance to advance publicity work (the coverage of poublicity work carried out before certain laws or policies are promulagated) and intensive news reports. However, these instructive stories should be "concise" and not be carried repeatedly, so as to avoid inducing the "reverse reaction mentality" of readers. As for the layout of the instructive stories, which should be slashed in number and selected in a stricter way, they should be carried in a prominent and important place in the newspaper, with editor's notes or postscripts attached to them so as to catch people's eyes.

The "suggestions" say: As opinion-oriented organizations, newspapers should reflect various views. How should a party newspaper open up new avenues of opinion and ensure that there is liveliness but not chaos? According to the "suggestions," one of the measures is that newspapers should separate views of the Communist Party committees from those of reporters and local people. At present, particular attention should be paid to setting up special opinion columns, such as "readers' forum" so that newspapers will move to a three-dimentional and multilevel pattern which is more authoritative and representative.

International news is relatively well received by the readers. However, there are currently relatively many "restrictions" imposed on international coverage. The "suggestions" maintain that with the exception of extraordinarily sensitive issues, international coverage should be widened by distinguishing between news stories and those reflecting China's foreign policies. This will help expand the range of international coverage. Commentaries on international issues should also be widened by including views reflecting the government stand and also those of the public.

The "suggestions" also say: The standards for choosing and publishing news on the front page should be diversified. They should be both stories reflecting our current central tasks and aimed at directing our current work and international news attracting world attention. At the end of a year newspapers should choose through public appraisal and carry top world news, which should be front-paged in principle. Among others, important letters from readers and news on major disasters and social events can be carried on the front-page.

The "suggestions" also call for a "three-dimensional" coverage, that is to say, the pattern of writing which stresses exclusively either commendation or criticism should be smashed, and news reports should be practical and complete and include both achievements and faults and strong and weak points.

The content of the "suggestions" cover a wide range of areas. For instance, it is suggested that newspapers open a special column on journalism, give publicity to the laws governing journalism, and explore and study some problems existing in journalism so as to help readers renew the concept of newspaper reading. It is also suggested that newspapers run a reform experimental edition as an experimental model so as to gain experience. The "suggestions" also deal with the internal reform of newspaper offices, advocating that an environment favorable to carrying out reforms in the internal departments of newspaper offices be created.

The suggestions of the Research Institute of Journalism have drawn the attention of many newspapers, and leaders of some newspapers have written letters praising them.

RENMIN RIBO FOCUSES ON PUNISHING POWER ABUSERS

OW191806 Beijing XINHUA Domestic Service in Chinese 1448 GMT 19 Sep 86

[Apparent text of a 20 September RENMIN RIBAO commentator's article: "We Must Not Allow Those who Abuse Power for Personal Gains To Do Whatever They Like"]

[Text] Beijing, 19 Sep (XINHUA) — "When a man gets to the top, all his friends and relatives go there with him." This old saying strikingly reflects the corruption in feudal officialdom. Regrettably, this saying can still appropriately be applied to some cadres today. The case of He Yuantang, former depouty secretary of the Changzhi City CPC Committee, Shanxi Province, who is being punished through party discipline for abusing power for personal gains, represents an example of the harms of the "special privilege" mentality. It also demonstrates clearly once again, our determination to straighten out party work style.

As a leading cadre and director of the party rectification office, He Yuantang openly intervened on many occasions to find jobs for his children during party rectification. He went so far as to secure official positions and party membership for his malfeasant sons without any scruples. His audacity is quite remarkable! Was He Yuantang not aware of party regulations and discipline? No! He was blinded by a lust for power. He thought that since he had power, he could do whatever he wanted in his "sphere of influence" and nobody could do anything about it. He was wrong!

The purpose of our party is to serve the people. All party cadres, regardless of their position, are public servants. Abusing power in any form for personal gains is opposed by the people and not tolerated by party discipline. Therefore, people like He Yuantang who abuse the power vested in them by the people to seek personal gains should, of course, be deprived of their power. We must never be vague on this matter of principle. At the same time, we must also make an earnest investigation of their ill-gotten gains.

This is an effective measure to deal with those who are blinded by lust and abuse their power for personal gains.

Comrade Deng Xiaoping said: "To overcome the phenomenon of special privileges, we must solve the problem of ideology as well as that of the system." The fact that He Yuantang had his way for a while shows that there are still many defects in our cadre system, that the cadre selection, evaluation, and supervision system is still imperfect, and that the cadre system remains to be gradually perfected through reform.

At present, the work of straightening out party work style is developing healthily and in depth. Abusing power for personal gains is one of the problems to be solved by straightening out party work style and checking unhealthy tendencies. We must not spare the feelings of power abusers nor pay attention to their personal connections and make a thorough investigation of all the problems that should be investigated in accordance with the requirements set forth by the central authorities. All problems should be dealt with in an earnest manner. We must not allow any person who violates law and discipline to escape punishment.

AGRICULTURAL COMMODITY ECONOMY PROBLEMS DETAILED

OW181141 Beijing XINHUA in English 1104 GMT 18 Sep 86

[Text] Beijing, September 18 (XINHUA) — Chinese agronomists have called for new policies to tackle problems now hampering the development of the agricultural commodity economy, today's "PEOPLE'S DAILY" reported.

Experts in 25 groups dispatched by the Chinese Academy of Aricultural Sciences in July and August investigated 30 counties in 20 provinces, municipalities and autonomous regions.

While agreeing that China's reforms have boosted the rural economy, they said that there are problems and new policies and measures are needed to tackle them.

In their investigations, they found, in many places, the enthusiasm of the peasants engaged in grain production was declining, as they felt it was difficult to sell their surplus products.

The old grain purchase and sale system is holding back the development of commodity production, the paper quoted the experts as saying.

They also found water conservation facilities in some places were damaged, which reduce the areas' capability to resist drought or flooding.

If not enough attention is given to all these problems, the experts said, the development of the commodity economy in China's rural areas will probably experience a fluctuation or slow growth.

CENTRAL AUTHORITIES FORMULATE IMPORT POLICIES

HK031159 Hong Kong WEN WEI PO in Chinese 3 Oct 86 p 2

[Special dispatch from Guangzhou by reporter Li Chao-hui (2621 2600 6540): "Special Meeting Held by the Central Authorities To Work Out Preferential Treatment for Foreign Businessmen Who Make Investments or Run Enterprises in China"]

[Text] According to reliable sources, the central authorities held a special meeting in late September to study issues concerning foreign investments in China, and the meeting adopted 20 preferential policies for foreign investors.

These policies mainly include the following six points:

First, lowering the cost of labor. The wages, labor insurance, medical expenses, and state subsidies of workers in enterprises involving foreign investments (including those solely owned by foreign capital, Chinese-foreign joint ventures, and cooperation enterprises) are controlled to a certain proportion. Labor costs are lowered under the premise of guaranteeing workers' interests. It is stipulated that the total wage income of workers in the enterprises involving foreign investment should be 240 to 270 percent of the wage income of workers in state-run enterprises.

Second, lowering the cost of land. The land-use fee is 5 to 20 yuan per square meter for newly opened land. If the land-use fee is paid once and for all, the the rate cannot be higher than 3 yuan per square meter. In the past, land-use fees varied from place to place in China and were usually too high. In some places the rate was a s high as 150 yuan per square meter.

Third, reducing taxes. If an enterprise exports all or more than 70 percent of its products, its taxes can be reduced by 50 percent.

Fourth, offering an extended half-tax period. As it stands now, when foriegn businessmen set up enterprises which use advanced technology, they enjoy a tax free period of 2 years and a half-tax period of 3 years. The half-tax period could be extended to 6 years.

Fifth, permitting investors in enterprises which export their products to remit their profits abroad without paying a tax on the remittances.

Sixth, encouraging reinvestment. New regulatiosn stipulate that if foreign businessmen reinvest their profits in enterprises which produce export goods and use advanced technologies, the income taxes they have paid will all be refunded. (In the past, only half of the taxes were refunded). But their reinvestments must continue for 5 years or longer.

In recent years, China has achieved marked results in attracting foreign investment, but some policy problems have also adversely affected the development of enterprises involving foreign investment and affected China's efforts to make use of foreign funds and to further open up to the outside world. Therefore, the central authorities held a special meeting and formulated the above-mentioned 20 stipulations to boost investors' confidence. This will also help realize the target of attracting 20 billion yuan of foreign funds each year as Deng Xiaoping hopes.

VICE MINISTER ON FOCUS OF FOREIGN AID WORK

HK060606 Beijing GUOJI SHANGBAO in Chinese 22 Sep 86 p 1

[Report from Dar es Salaam by reporter Liang Zhu (2733 2691): "Vice Minister Lu Xuejian on Focus of Work To Aid Foreign Countries"]

[Text] In his speech at the recent conference of economic counselors of eastern Africa, western Asia, and northern Africa held in the Tanzanian capital Dar es Salaam, Lu Xuejian, vice minister of foreign economic relations and trade, pointed out: "By the end of 1985, China had undertaken the construction of 1,390 complete projects and whole plants in foreign countries, of which 1,126 have been completed. Most of the completed projects are in good condition, but some of them have not yet given play to their proper roles due to improper management or other reasons. They need to be improved as soon as possible. The focus of our work to aid foreign countries at present is to enhance the achievements we have made in foreign aid. We must have clearer understanding of our guiding ideology in this work -- long-term cooperation and being responsible to the end."

Since the 3d Plenary Session of the 11th CPC Central Committee, China's work to aid foreign countries has entered a new period of healthy development, and great achievements have been made in continuing to perform our international duty and in implementing the policies of readjustment and reform and the policy of opening up to the outside world and enlivening the domestic economy. At present, the number of countries which have economic aid relations with China has increased to 90. In the Sixth 5-Year Plan, we undertook 81 completely new projects, started construction of 132 projects, and completed 173 projects. Now we are making positive efforts to consolidate our achievements in this respect: Readjusting foreign aid expenditure and implementing the policy of acting according to our capability; improving the structure of foriegn aid and exploring more channels for cooperation; adhering to the principle of internationalism and conscientiously carrying our agreements; improving our internal management system and implementing the contracted responsibility system in an all-round way.

The Tanzania-Zambia railway, built with Chinese aid, has been in operation for 10 years. In the first 7 years, there were some losses. But in the past 3 years, as some positive measures were adopted and the Chinese side also participated in the management, profits were made every year. Some other Chinese-aided projects, such as the sugar refinery complex, the pharmaceutical factory, and the leather factory in Mali, the textile mill in Zambia, the cement factory in Rwanda, and the sugar refinery in Sierra Leone, have also made up deficits and increased surpluses with Chinese participation in managment. It is our international duty to be responsible to the end for Third World people. In the future, when Chinese-aided projects are completed and to be turned over to the recipient countries, we must also ask for the latter's approval to help them make good arrangements in production and management or to carry out futher cooperation in other fields, such as offering technical guidance and equipment for maintenance and training personnel. Vice Minister Lu Xuejian also said: With the development of China's economy and the growing of our national strength, during the Seventh 5-Year Plan our foreign aid task will also become heavier. In the construction of complete projects, we must mainly provide aid for medium-sized and small projects which yield quick returns with little investment and which serve local people directly. It is necessary to increase investment in the exploitation of intellectual resources. It is also necessary to select proper projects to develop and to ensure their quality.

GUOJI SHANGBAO URGES CONSOLIDATION IN FOREIGN AID

HK060608 Beijing GUOJI SHANGBAO in Chinese 22 Sep 86 p 1

[Commentary: "Pay Attention To Consolidating Achievements in Economic Aid to Foreign Countries"]

[Text] Over the past 30-odd years, China has helped friendly countries build more than 1,100 complete projects and whole plants. The situation of most of these projects and plants is good, but a small number of them have yielded few economic and social returns. Some have even suffered losses and ceased production. Thus, the question has been raised: Must we continue to do a good job in those projects which are not in a good condition?

The answer is in the affirmative. Consolidating our achievements made in building projects in foreign countries is an important part of our foreign aid work and the focus of this work at present. The purpose of our aid to foreign countries is to epitomize recipient countries to obtain substantial economic results and enhance their ability to develop by their own strength. If a project cannot be put into normal production after it is completed, or no satisfactory economic returns are yielded, our aid may even become a "burden" for the recipient country. This goes against the purpose of our foreign aid. Therefore, we must be responsible through to the end and enthusiastically help the recipient countries consolidate relevant achievements.

The key to consolidating the achievements of the completed projects lies in improving management. In the past, we had some misgivings on taking part in the management. After a project was completed, our personnel usually wished to leave as soon as possible or just offered some technical guidance before leaving. They were reluctant to take part in enterprise management. Since the 3d Plenary Session of the 11th CPC Central Committee, as our comrades have emancipated their minds and summed up their experiences, they have taken an active part in the management of Chinese-aided enterprises and achieved very good results. In 1983, we reached an agreement with Tanzania and Zambia, according to which the Chinese side would take part in the management of the Tanzania-Zambia railway and begin the fourth round of technical cooperation with the two countries over a term of 3 years. With the cooperation and common efforts of the three sides, an overall improvement has been made in respect of freight volume, safety, and the financial situation. Practice shows that whether the Chinese side offers help in management plays a decisive role in consolidating the achievements of the completed projects.

In helping the recipient countries manage Chinese-aided enterprises, it is necessarsy to suit our measures to local conditions and concrete projects and to adopt diverse forms of cooperation. In light of the concrete situation of the projects and the needs of the recipient countries, some can be put under the management of the Chinese side on behalf of the recipient side, some can be jointly managed by both sides, and some can be managed by the recipient side with Chinese assistance. In the first two cases, as the Chinese side holds actual posts, our personnel should perform their duties well in accordanace with the agreement between the two sides. For those projects under the management of the recipient side with Chinese assistance, all profits and losses belong to the recipient side. In some projects, there are problems concerning the use of equipment and the supply of spare parts. We must proceed from reality and enhance our cooperation with the recipient side through various methods, such as offering technical guidance and maintenance, renewing equipment, and supplying technical guidance and maintenance, renewing equipment, and supplying spare parts in good time, so that the production, operation, and management of those enterprises may be normalized. If conditions are ripe for certain enterprises, and upon the request of the recipient countries, we may also turn them into joint ventures on a trial basis.

China is a developing socialist country. It is duty-bound to provide friendly Third World countries with necessary aid. To consolidate the achievements of the completed projects so that they can yield due economic and social returns is an effort to hold ourselves responsible to friendly countries and to fulfill our internationalist obligations.

READER'S LETTER DISCUSSES BANKRUPTCY LAW

HK031502 Beijing GONGREN RIBAO in Chinese 27 Sep 86 p 3

[Letter by Qiu Shi (5941 1395): "Proposal on Initiating Duscussions on the Question of Formulating the Bankruptcy Law" -- capitalized passages published in boldface]

[Text] COMRADE EDITOR:

Recently, the press has made much effort to publicize the necessity of formulating a bankruptcy law for state-owned enterprises. These opinions of the press have made an almost identical impression on the public -- the press almost unanimously agrees that the problem of eating from the same big pot will readily be solved as soon as the bankruptcy law is promulgated. However, many legalists, theoreticians, and managers, directors, and staff members of enterprises hold that the problem is not so simple as the press believes.

According to a XINHUA report, when the draft of the bankruptcy law for state-owned enterprises was examined during the 17th Meeting of the 6th NPC Standing Committee held not long ago, members of the Standing Committee "aired their views freely and participated in heated discussion on whether the conditions for the implementation of the bankruptcy law are available and ripe. The meeting was going on in a very lively democratic atmosphere." In my opinion, the "heated discussion" and "very lively democratic atmosphere" were normal and useful, while the "predominantly favorable" attitudes shown by some newspapers and journals were abnormal and harmful.

To be sure, in light of the need of commodity economy development, the formulation of a bankruptcy law for state-owned enterprises is inevitable. It is completely necessary for the mass media as the precursor of practice to promptly demonstrate and publicize this objective inevitability. But, after all, legislation is a solemn and serious task. As soon as a law is formulated, promulgated, and brought into effect, it will become the state's will and compulsory behavioral standards to be coersively enforced by the state. And a law is by no means so flexible as public opinion. A mature and complete law should be meticulously formulated on a fully democratic basis and in accordance with some fixed legislative procedures. It should be able to represent the masses' unified will and fundamental interests. Therefore, democratic legislation has always been regarded as an important principle governing the building of the socialist legal system in our country. We had practiced this principle in the past in mobilizing all the people to discuss the Constitution and the revised draft of the Constitution. Today, the members of the NPC Standing Committee are also practicing the same principle in "airing their views freely" and "participating in heated discussion" on behalf of the masses. Only in this way can our laws take root deep among the masses and show great vitality.

Now let us return to the question on the bakruptcy law. In my opinion, apart from the "question whether the conditions are available and ripe" that has aroused disputes among the members of the NPC Standing Committee, some other theoretical problems also need to be discussed.

FIRST, IN IMPLEMENTING THE BANKRUPTCY LAW FOR STATE-OWNED ENTERPRISES, THE FIRST QUESTION WE HAVE TO ANSWER IS: WHO, ACUTALLY, IS TO "SUFFER FROM BANKRUPTCY"? Just as the name implies, a state-owned enterprise means an enterprise run by the state. Even if we interpret it, according to the currently prevalent definition, as an enterprise which exercises management power on its own but has its ownership kept by the state, the enterprise's nature that its properties belong to the state or, to be more precise, to the whole people remain unchanged. Thus, it can be concluded that if a state-owned enterprise declares bankruptcy, it is the state itself that will actually suffer from the bankruptcy. So far we have not found, in the world, any precedent of a state as a legal entity declaring bankruptcy. It seems theoretically unreasonable.

SECOND, state-owned enterprises include state-run industrial and mining enterprises and state-run companies. State-owned companies hold limited liability in terms of their fixed assets but unlimited liability in terms of the nature of their property ownership system. Whether they hold limited or unlimited liability, nobody but the state is the real and sole shareholder. Therefore, SUPPOSE A STATE-OWNED COMPANY DECLARES BANKRUPTCY, FROM A LEGAL POINT OF VIEW, SHOULD THE STATE AS THE SOLE SHAREHOLDER OF THIS COMPANY BEAR THE UNLIMITED RESPONSIBILITY FOR PAYING BACK THE COMPANY'S DEBTS DESPITE ITS LIMITED FIXED ASSETS?

THIRD, for the same reason, even if the implementation of the bankruptcy law for state-owned enterprises is theoretically acceptable, the company law that is to be drawn up in support of it will not work. A company, whether a limited or unlimited one, is formed by at least two shareholders. As we have pointed out above, however, our state-owned companies actually have only one shareholder. FROM A LEGAL POINT OF VIEW, A COMPANY WILL NO LONGER EXIST WHEN IT HAS ONLY ONE SHAREHOLDER. SUCH BEING THE CASE, DO WE STILL NEED TO DECLARE THE BANKRUPTCY OF A COMPANY UNDER THE GUISE OF LAW?

FOURTH, from the viewpoint of the system theory [xi tong lun 4762 4827 6158], taking the whole legal system into consideration, we still have to solve the problem concerning the relations between principal laws and auxiliary laws and between different laws even if all the indispensable conditions for the implementation of the bankruptcy law for state-owned enterprises are available. Just as Comrade Peng Zhen pointed out: "Legislation must be based on the Constitution, and different laws should not contradict each other." Article 7 of the PRC Constitution provides: "The state sector of the economy, that is, the socialist sector owned by the whole people, is the leading force in the national economy. That state ensures the consolidation and development of the state sector of the economy." Bearing the above remarks in mind, people cannot help but ask: ON THE ONE HAND, WE ARE REQUIRED TO ENSURE, IN THE MAIN, THE CONSOLIDATION AND DEVELOPMENT OF THE STATE SECTOR OF THE ECONOMY AND, ON THE OTHER HAND, WE HAVE TO LET CERTAIN STATE-OWNED ENTERPRISES DECLARE BANKRUPTCY. IS THERE ANY CONTRADICTION BETWEEN THESE TWO ASPECTS? IN ADDITION, THE CONSTITUTION PROVIDES THAT EVERY CITIZEN HAS THE RIGHT TO WORK. HOWEVER, THE STAFF MEMBERS OF A BANKRUPT ENTERPRISE ACTUALLY LOSE THIS RIGHT BECAUSE OF BANKRUPTCY. HOW ARE WE GOING TO PROPERLY EXPLAIN TO THESE STAFF MEMBERS FROM A THEORETICAL POINT OF VIEW?

I can still cite some theoretical paradoxes like these which need exploration. I suggest that your newspaper save some space to let the readers raise their quesions and discuss them. This will help to enhance the readers' ideological and theoretical understanding. Moreover, as far as democratic legislation is concerned, a "very lively democratic atmosphere" is absolutely a real need.

XUE MUQIAO ON 'TWO MAJOR ERRORS' IN OPENING UP

HK060709 Hong Kong MING PAO in Chinese 4 Oct 86 p 5

[Special dispatch from Shanghai: "Xue Muqiao on Opening Up to the Outside World"]

[Text] Renowned Chinese economist Xue Muqiao said that China has made two major errors since it adopted the policy of opening up to the outside world: One error was the introduction of 22 large projects at the same time in 1978; and the other was the disorder in foreign exchange management from the second half of 1984 to the first half of 1985. Henceforth, reform should catch up with the new, open situation.

At a recent seminar on economic policies for open port cities, Xue Muqiao made a speech entitled "On Opening Up to the Outside World." He said: Now, most people have acknowledged the correctness of the open policy, but people have different opinions on the errors in the course of opening up. In fact, some errors are unavoidable, and errors can be divided into two types: Some were made by the upper authorities in charge, and some were made by localities. It is not fair to lay all blame on localities for the errors.

Xue Muqiao said: "In my view, since the adoption of the open policy, we have committed two major errors. One was the introduction of 22 large construction projects, and the decision was made by the central authorities. The other error was made in late 1984 and early 1985. Because bank credit and foreign exchange were out of control, many localities, enterprises, and individuals were involved in foreign exchange speculation, viewed with each other in importing cars and household electrical appliances, and imported many color televisions, refrigerators, and car production lines and assembly lines. Thousands of 'briefcase' companies appeared in a short time. After the credit and exchange policy was tightened up, most of these companies were closed down. The closedown of these companies as a good thing. The overheated economic situation should be cooled down for a certain period so that a healthy and prosperous economic situation can be brought about."

According to Xue Muqiao, more than 100 color television assembly lines have been installed in all parts of the country, and most of the assembly lines were imported from abroad. The spare parts of the assembly lines must also be imported and cost more foreign exchange than the assembly lines themselves. Due to the shortage of foreign exchange, many assembly lines have been forced to reduce or even stop production. Plants assembling cars and refrigerators are also facing similar difficulties. He said: In the next 2 to 3 years, we must not be too eager to import such plants and production lines; instead, we should make better use of existing equipment so that the enterprises which expend foreign exchange can be turned into enterprises which earn foreign exchange.

Xue Muqiao said that opening up and reform are two interrelated aspects. Reform should closely catch up with opening up. Open areas should be pioneers in reform. Joint ventures and cooperation enterprises in particular, should play a leading role. If the two "big pots" between the state and enterprises and between enterprises and their workers are not changed, it will be hard to smoothly develop such joint ventures. The central authorities should give greater power to open areas, especially special economic zones. They should be encouraged to blaze new trails and create experience for other parts of the country. The "big pot" system, which has proven unsuccessful, must not be imposed on the open areas. New areas and new enterprises should be allowed to adopt as many new methods as possible so that they can play a leading role in technical innovation and structural reform for the whole country.

XINHUA ENCOURAGES DEVELOPMENT OF COASTAL CITIES

OW041232 Beijing XINHUA in English 1216 GMT 4 Oct 86

[Text] Beijing, October 4 (XINHUA) -- Chinese coastal cities were encouraged to develop an export-oriented economy by a XINHUA commentator today.

The commentator said, "Increasing imports to produce export goods will not only help boost the local economy but also contribute to the development of the national economy, particularly that of inland areas."

According to the commentary, exisiting industries in coastal cities mainly process materials from inland regions and these raw materials are becoming scarce in the wake of the growing development of local industries. Their traditional market in the interior areas are also being challenged by products from local factories.

"By producing exportable goods from imported materials, coastal cities could also import advanced technology and managerial expertise from abroad and serve as a link between the outside world and interior sectors," he said.

He added, "with fairly complete industrial sectors, a good scientific basis and abundant manpower, the coastal cities have the capability and experience to process export goods."

"At present, coastal cities should develop goods which require more manpower to produce while preparing conditions for production of more high-tech products", the commentator concluded.

NPC VICE CHAIRMAN HAN XIANCHU DIES 3 OCT

OW031259 Beijing XINHUA Domestic Service in Chinese 1201 GMT 3 Oct 86

[Text] Beijing, 3 Oct (XINHUA) -- Comrade Han Xianchu, vice chairman of the Sixth NPC Standing Committee, died of illness in Beijing at 0740 today after failing to respond to medical treatment. He was 74.

Hailing from Hongan County, Hubei Province, Comrade Han Xianchu successively served as regimental commander and division commander of the 15th Army Group of the Red Army; brigade commander of the 8th Route Army's 115th Division; commander of a column under the Democratic Joint Army in northeast China; deputy commander of the Chinese People's Volunteers; chief of staff of the Central-South Military Region; deputy chief of the PLA General Staff; commander of the Fuzhou PLA units; first secretary of the Fujian Provincial CPC Committee; commander of the Lanzhou PLa units; and member of the Standing Committee of the Central Military Commission. He was a member of the 8th through 12th CPC Central Committees.

TAIWAN TO RELAX RESTRICTIONS ON ENTERING ISLAND

HK031524 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1346 GMT 30 Sep 86

[Text] Hong Kong 30 Sep (ZHONGGUO TONGXUN SHE) -- Taipei sources: According to a 30 September CHUNG KUO SHIH PAO report, Taiwan's "Ministry of Internal Affairs" has decided to relax restrictions on requiring endorsors from Hong Kong and Macao residents entering the island, and the abolition of the regulations on endorsed applications for entrance permits is under study.

According to the report, when Hong Kong and Macao residents wanted to visit Taiwan in the past, they had to look for responsible persons of Overseas Chinese organizations or travelling agencies for their endorsement. Such practice resulted in many travelling agencies making profits out of it, and some responsible persons of Overseas Chinese organizations relying on it as a source of their office expenditures.

Officials of the "Ministry of Internal Affairs" stresed that because the system of endorsed applications for entrance permits had become formalistic, they decided to relax the relevant regulations and to make it easier for Hong Kong and Macao compatriots to enter Taiwan.

TAIWAN CONDITIONALLY ACCEPTED BY SWIMMING GROUP

OW021122 Beijing XINHUA in English 0835 GMT 2 Oct 86

[Text] Seoul, October 2 (XINHUA) -- The Third Asian Swimming Championships will be held between late April and early May, 1988 in Guangzhou, China, announced a spokesman of the Asian Amateur Swimming Federation (AASF) here today.

K.M.S. Aziz, secretary general of AASF from Bangladesh, told a press conference that AASF, governing body of swimming, diving and water polo in Asia, has chosen Guangzhou in southern China as the venue for the Third Asian Swimming Championships.

AASF, founded in 1978 in Bangladesh, arranges continental swimming, diving and water polo tournaments on a yearly basis, especially with the Asian Games, Asian Swimming Championships and the Asian Age-Group Swimming Tournaments.

The Asian Amateur swimming Federation is also compiling an Asian recordbook to fill the vacancy, with the best times clocked in the previous Asian Games in New Delhi, the Second asian swimming Championships in Seoul and the current Asiad. The recordbook will be available early next year, Aziz said.

Times registered in regional competitions will also be received as Asian records. But these competitions, to be supervised by AASF, must be organized by AASF member countries and regions which now include Bahrain, Bangladesh, Brunei, Burma, China, the Democratic People's Republic of Korea, Hong Kong, Indonesia, Iran, Iraq, Japan, Kuwait, Malaysia, Oman, Nepal, the Maldives, Pakistan, the Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Thailand, the United Arab Emirates, India, Syria, Jordan and Lebanon.

Chinese Taibei will also be received as an AASF member on the ground that it uses anthem, emblem and flag in line with the requirement of the International Olympic Committee and the Olympic Council of Asia.

AASF inaugurated the First Asian Swimming Championships in Dhaka, Bangladesh, in 1981 and stated the second championships in Seoul in 1984.

The AASF secretary general said at the press conference that the federation will try to get more help from the International Amateur Swimming Federation, governing body of this sport in the world, to further the standard of swimming in the less developed countries and regions in Asia besides Japan and China which are already of international standards.

RENMIN RIBAO REPORTS ON NEW PARTY IN TAIWAN

HK030641 Beijing RENMIN RIBAO in Chinese 30 Sep 86 p 4

[Report: "The Democratic Progress Party Has Been Set Up in Taiwan"]

[Text] Hong Kong, 29 Sep -- Disregarding the government ban on political parties, non-Kuomintang personages in Taiwan announced yesterday the formal formation of the Democratic Progressive Party. This is the first opposition party set up since the declaration of martial law.

According to a CHUNG KUO SHIH PAO report: After discussing at Taipei's Grant Hotel the list of nonparty candidates for election at the end of this year, the 130-odd nonparty personages, including Yu Ching and Kang Nin-hsiang, held a press conference yesterday afternoon to announce the formation of the party. They also put forward a draft party program and an organizational plan and chose seven party-formation working committee members to prepare for the first "national congress" to be held at the end of this year.

It is disclosed that the seven party-formation working committee members are Fei Hsi-ping, Yu Ching, Hsieh Chang-ting, Yu Hsi-kun, Yen Chin-fu, Huang Erh-hsuan, and Fu Chen, with Fei Hsi-ping, current "member of the Legislative Yuan," acting as convener.

'INFORMED SOURCES' SAY KMT TO LIFT MARTIAL LAW

HK030750 Hong Kong AFP in English 0736 GMT 3 Oct 86

[Text] Taipei, Oct 3 (AFP) -- Taiwan's ruling Kuomintang (KMT) Party is to remove martial law and lift a 37-year ban on new political parties by the end of this year, informed sources said Friday. The development follows Sunday's formation by opposition politicians of the Democratic Progress Party (DPP), which had been seen by observers as a challenge to the new-party ban imposed in 1949.

The sources, who asked not be identified, said KMT leaders and legal specialists had contended it would be "most proper" to allow political groups organize through rational means and legal channels. Meanwhile, KMT leaders are deliberating whether to enact a separate law to govern political groups, or to relax existing rules which have restricted the activities of such organizations, the sources said. "The objective is to legalize all rational political parties, enabling them to function on the basis of the Constitution," the sources said.

The KMT is also to lift martial law by the end of this year, given years of stability in Taiwan society, the sources said.

Martial Law has been enforced since 1949, when the Nationalist Government retreated to Taiwan after losing Mainland China to the Communist Party.

The sources said a national security law might replace martial law to guard against communist infiltration and safeguard national stability. The KMT's Central Standing Committee, which sets party policy, has been studying reforms in six controversial areas, including martial law and the party ban, since March on instructions from President Chiang Ching-kuo, in a bid to improve the government's image. Other areas include self-administration by local governments, rejuvenation of the congress through re-elections and enforcing the KMT's administrative efficiency.

Observers said a commitment to national security and social stability had prompted the KMT to reject any crack-down on the DPP, although it has the power to do so under martial law. KMT authorites, while showing a willingness to compromise, have been urging the opposition to keep the DPP in the "planning stage" and not make any more moves to challenge the government's determination to honor the rule of law.

Meanwhile, a group of Tangwais, or opposition figures, agreed Friday to resume a dialogue with the KMT in their capacity as DPP members. The KMT opened the dialogue with the Tangwai Research Association for Public Policies (TRAPP) in May and relaxed the party ban by conditionally allowing the opposition group to open branch offices. The dialogue was suspended by TRAPP in June after two meetings when several Tangwai members were jailed on libel and election-law charges. TRAPP has opened 13 offices without complying to the conditions. The DPP was organized by key TRAPP members, but its charter, policy platform, organization and personnel arrangement are still under discussion.

PREMIER YU KUO-HWA ON POLITICAL DEMOCRATIZATION

OW031111 Taipei CNA in English 1101 GMT 3 Oct 86

[Text] Taipei, Oct 3 (CNA) — Premier Yu Kuo-hua said Friday that the government will continue broadening political participation within the framework of the law. Answering an interpellation by Legislator Huang Cheng-an, Yu said that the government has spared no effort in promoting political democratization and is determined to strengthen communication with the general public. But the premier stressed that four principles must be adhered to:

— the constitution and the law of the land must be upheld;

— secessionism must be avoided;

— vilgilance must be maintained against the communist threat;

— the interests and security of the nation must supercede all other considerations.

Urges Obedience to Law

OW040353 Taipei CNA in English 0258 GMT 4 Oct 86

[Text] Taipei, Oct. 3 (CNA) — Premier Yu Kuo-hua said Friday that the government has tolerated a few people's illegal actions in order to promote unity and harmony in the country. But there is a premise to such tolerance, Yu said: Those actions should not adversely affect national security or disrupt social order. The premier made the remarks in reply to an interpellation by Legislator Huang Cheng-an.

Yu said although the Constitution stipulates that the people have the freedoms of assembly and association, the exercise of these freedoms must be subject to certain specified restrictions. As the country has been facing the communist threat, such restrictions should be observed, he asserted.

The premier pointed out that the government has spared no effort to promote political democratization in the past 30 years. It is also determined to continue boosting such development based on the current foundation. But Yu stressed that political democratization must be conducted gradually, not radically. Moreover, in the process of democratization, the government will encourage lawful political participation and promote national unity, while banning illegal mass movements and any successionist moves.

INTERIOR MINISTER CALLS FOR NATIONAL UNITY

OW040347 Taipei CNA in English 0302 GMT 4 Oct 86

[Text] Taipei, Oct 3 (CNA) — Interior Minister Wu Po-hsiung called on all people of the nation Friday to unite closely to deal with the difficulties the nation is facing.

Wu said that the reason the nation has successfully overcome the crises over the past three decades and is standing fast today is the obtaining of national unity, which, he added, has enabled the government and people to work together and move in concerted steps towards the definite goal of national recovery.

The past successful development on the bastion of national recovery of Taiwan has proved that only "when national security is assured can social stability and people's welfare be secured," Wu said. "National unity has paramount importance while the nation is still facing many difficulties, and a misunderstanding of the situation among the people will undermine the national strength and be tantamount to giving aid to the enemy," Wu said.

The minister made the remarks in response to an interpellation from Legislator Wang Cheng-hua in a Legislative Yuan session.

Greets Opposition Parties

OW040333 Taipei CNA in English 0305 GMT 4 Oct 86

[Text] Oct. 3 (CNA) — The Young China Party and the China Democratic Socialist Party, the two opposition parties in the Republic of China, have been playing successfully the role of "loyal opposition" to the ruling Kuomintang, Interior Minister Wu Po-hsiung said Friday. Wu made the remarks in the Legislative Yuan while answering an interpellation on the role of the nation's political parties by Legislator Wang Chen-hwa of the Democratic Socialist Party.

In the past three and a half decades, the minister said, with a common acknowledgement of the difficulties the nation faced, the three parties have worked together cooperatively for the nation's development and the common goal of national recovery. The Young China Party and the China Democratic Socialist Party, Wu stressed, in particular, have made great and admirable contributions to the growth of democracy in the nation by doing outstanding work as members of the loyal opposition.

JUSTICE MINISTER WARNS OF LEGAL RESTRICTIONS

OW040403 Taipei CNA in English 0309 GMT 4 Oct 86

[Text] Taipei, Oct. 3 (CNA) -- Several laws in this nation stipulate clearly that the people's freedoms of assembly and of association may be restricted while the nation is in an extraordinary situation, and based on these laws, the government will take legal actions against those who take concrete actions to form new political parties in this nation, Justice Minister Shih Chi-yang said Friday. In response to a joint interpellation by six legislators led by Fei Hsi-ping, Shih pinted out that those laws restricting the people's freedoms of assembly and of association include the statutes governing civic organizations during the extraordinary period, the national mobilization law and martial law.

Commenting on the recent announcement by some people of their decision to form a political party in this nation, Shih said that although the freedom of formation of political parties is protected by Article 14 of the Constitution, such freedom is subject to certain restrictions when the nation is in an extraordinary situation. Before those laws restricting the people's freedom of formation of parties are revised, the government will still take legal actions against those who violate such laws, Shih said.

XU JIATUN, YOUDE ON IMPLEMENTATION OF DECLARATION

HK010749 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1537 GMT 30 Sep 86

[Report by Guo Weifeng (6753 0251 6912): "Xu Jiatun and Youde Hold That China and Britain Have Fruitfully Implemented the Joint Delcaration"]

[Text] Hong Kong, 30 Sep (ZHONGGUO XINWEN SHE) -- Xu Jiatun, director of the Hong Kong Branch of the XINHUA NEWS AGENCY, and Hong Kong Governor Sir Edward Youde jointly pointed out that both China and Britain had made good and fruitful progress in their cooperation to implement the joint declaration.

With satisfaction, both Xu Jiatun and Youde pointed this out at a grand cocktail party held by the Hong Kong Branch of the XINHUA NEWS AGENCY this afternoon to mark China's 37th national day. The party was attended by over 2,000 Chinese and foreign guests.

Xu Jiatun said: "Since the signing of the 'Sino-British Joint Delcaration,' due to the cooperation between the two governments and the efforts of the Hong Kong compatriots, the work of the Sino-British Joint Liaison Group and the Sino-British Land Commission has been fruitful. The drafting of the Basic Law is making good progress under the principle of 'one country, two systems' and the situation in Hong Kong continues to develop in a good direction. General Secretary Hu Yaobang's visit to Britain last June was a great success. Now, the Chinese Government and the Chinese people are looking forward to the visit of Her Majesty Queen Elizabeth II. I believe that through this visit, the friendly and cooperative relationship between China and Britain will further develop."

Youde said: Cooperation between China and Britain in implementing the joint declaration is making good progress. The Sino-British Joint Liaison Group has reached agreement on numerous issues, which are very important to the future stability and prosperity of Hong Kong, including an agreement on Hong Kong's new status in the GATT. The land commission has also held numerous meetings, amply demonstrating that both sides can work satisfactorily together to solve complex problems in a practical way.

POLICYMAKERS DIVIDED OVER POLITICAL REFORM

HK030317 Hong Kong SOUTH CHINA MORNING POST in English 3 Oct 86 p 1

[By Michael Chugani]

[Text] With just months left before the government publishes a document on constitutional reforms, policy-makers are understood to be divided over how far political changes should be taken.

Two schools of thought are said to have emerged inside the Government: A "conservative" element wanting to see as little change as possible, and "reformists" urging major constitutional changes before 1997.

The contents of next May's Green Paper -- a public discussion paper on reforms -- will be decided by, among others, by the governor, Sir Edward Youde, the Chief Secretary, Sir David Akers-Jones, the District Administration Secretary, Mr Donald Liao, and the Deputy Chief Secretary, Mr Alan Scott, who will draft the document.

The are suggestions that these policy-makers, along with others, hold different opinions on the way options for change should be listed in the Green Paper.

Some favour a push towards direct elections to the Legislative Council on a one-man, one-vote basis, while others argue for a "controlled" form of direct elections.

"There is indecision. Everything seems to be in a state of flux. Nobody knows yet how to draft the Green Paper," one insider said.

One area of indecision is what form of direct elections should be listed as an option for political change.

There is concern that a one-man, one-vote system on a territory-wide basis could lead to the creation of political parties, which China opposes.

Officials are also concerned about what impact the contents of the Green Paper would have on the Basic Law Drafting Committee -- appointed by China to produce Hong Kong's future constitution.

The drafting committee is scheduled to produce its first report on the future political system in the middle of next year and its first draft basic law in early 1988.

Options for change listed in the Green Paper will indicate to Basic Law members some of the thinking of the Hong Kong and British Governments on what direction political evolution should take.

The Hong Kong government has already made clear it will not take the lead in shaping public opinion in the Green Paper, and will only list options for reforms.

Confusion could arise if Basic Law members choose to belittle the options in the Green Paper and support considerably different changes to Hong Kong's political structure.

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DANILOFF INCIDENT, ICELAND MEETING DISCUSSED

HK061202 Beijing RENMIN RIBAO in Chinese 5 Oct 86 p 6

["Newsletter From America" by reporter Zhang Yunwen (1728 0336 2429): "From the 'Daniloff Incident' to the 'Iceland Meeting'"]

[Text] Washington, 2 Oct (RENMIN RIBAO) -- In the month from 30 August when the incident of U.S. reporter Nicholas Daniloff's arrest which drew world attention took place, to 30 September when the United States and the Soviet Union announced that the heads of the two countries would meet in mid-October in Iceland, there were dramatic changes in U.S.-Soviet relations. This caused some surprise in press circles in Washington.

Over the past few days, people have been talking about the question of whether the package solution to the problem related to Daniloff was a deal. "Who won and who lost" in this contest? Can the meeting in Iceland be regarded as a formal summit meeting?

The U.S. side firmly denied that Daniloff's release was in any related to the return of to the Soviet Union of Gennadi F. Zakharov was accused of espionage activities. Government officials time and again explained that the two things could not be regarded as equal. Daniloff earlier left the Soviet Union unconditionally, but Zakharov left the United States on condition that the Soviet Union allowed Yuri Orlov, a political dissident, to depart for the United States later.

The moderates in the United States held that this solution facilitates improving the relations between the United States and Soviet Union and pushes forward the disarmament talks; but the hardliners fiercely denounced it and said that it gave the impression of weakness. However, diplomatic analysts all held the relatively similar view that neither superpower was willing to let the incident hinder the arms control talks or undermine prospects for the second summit meeting. Therefore, they had to find a solution that prevented both sides from losing face.

As the "tumult of Daniloff incident" subsided, people's attention has naturally switched to the scheduled "Iceland meeting." It is said that the proposal for the meeting was put forward by Gorbachev in his letter to Ronald Reagan dated 19 September. Reagan showed great interest in it and quickly decided to accept it. But he denied that it was a formal summit meeting but called it a meeting to "make preparations for a summit meeting."

It is very unusual for the heads of the two countries to hold such a preparatory meeting. Experts hold that both sides have decided to do so out of domestic political considerations. For the United States, the meeting was held on the eve of its congressional election. It will strengthen Reagan's position in handling diplomatic affairs, benefit the Republicans and provide an opportunity for pushing forward arms control talks. For the Soviet Union, internationally, it will facilitate its propaganda in Western Europe and at the same time it will enable Gorbachev to continue to adhere to his principle that only when there has been a breakthrough in the arms control talks will he ever visit the United States, and thus reduce the political pressure on him. Analysts hold that Gorbachev and Reagan will sound each other out and evaluate what basis, and what advantages and disadvantages there are for Gorbachev's visit to the United States to hold the summit meeting.

Analysts have noticed that the emergence of such a turn in U.S.-Soviet relations also has some objective conditions. The two sides disputed fiercely over the "Daniloff incident," but this did not hinder the normal progress of the talks on various kinds of armaments. In addition, in certain areas, the stand of both sides is close. [paragraph continues]

The agreement reached at the European Disarmament Conference at Stockholm was the consequence of mutual concessions by the United States and Soviet Union. There are still differences over medium-range nuclear weapons in Europe in their talks, but the possibility for a breakthrough has emerged. Both sides have agreed that they each keep 100 medium-range missile warheads in Europe. Concerning the issue of restricting the frequency and scale of nuclear tests, it is also possible to reach a compromise. Therefore, in their speeches at the UN General Assembly not long ago, while Reagan and Eduard A. Shevardnadze denounced each other, they were both somewhat optimistic about the disarmament issue. Reagan said: "A series of talks with the Soviet Union last summer perhaps marked the beginning of conscientious and fruitful talks on arms control." Shevardnadze said: "The outline of an inspiring and significant agreement has already emerged. There already exists a practical possibility for a summit meeting."

The decision by the leaders of the Soviet Union and the United States on the "Iceland meeting" has obviously been widely well received by Western European countries.

However, the response in the United States varies. Some people in political circles, including Henry Kissinger, hold that the political risk of such a hasty meeting is too great, but those who support the meeting, including Thomas P. O'Neill, speaker of the House of Representatives, hold that it will be a good thing.

The dramatic development from the "Daniloff incident" to the "Iceland meeting" has once more reflected the complicated relations of simultaneous confrontation and dialogues between the two superpowers. The "Daniloff incident" was only one instance of the clashes that time and again emerge in the relations between them. However, when it is possible for the clash to grow into a crisis, neither side is willing to let it get out of control. They always find a way to ease the crisis. In the future, there will not be much change in these kinds of relations that are characterized by scrambling while compromising and that are sometimes tense and sometimes relaxed.

PRC ATTENDS FORUM ON INTELLECTUAL PROPERTY

OW061240 Beijing XINHUA in English 1224 GMT 6 Oct 86

[Text] Islamabad, October 6 (XINHUA) -- The first-ever regional forum on the judiciary and intellectual system opened here today to explore ways and means to protect the rights of intellectual property such as copyrights, trademarks, new innovations and industrial designs. Representatives from 14 countries including China took part in the five-day deliberations.

In his inauguration address, Prime Minister Mohammad Khan Junejo stressed the importance of intellectual laws. "It is obvious that intellectual property laws have to have a sound footing in all countries. A need is being felt to give statutory expression to the moral and economic rights of creators in their creations," he said.

He also said that Pakistan, as elsewhere, had made a great effort to strengthen the awareness of the concept of intellectual property.

The forum was organized jointly by the World Intellectual Property Organization (WIPO), the judges of the superior courts of Pakistan, the Law Association for Asia and the Western Pacific (LAWASIA) and the United Nations Development Program (UNDP).

Ten sessions will be held prior to the submitting of recommendations on October 9 when the forum closes, according to forum sources.

WEINBERGER TO MEET TOP MILITARY CHIEFS IN PRC

HK070844 Hong Kong AFP in English 0836 GMT 7 Oct 86

[Text] Hong Kong, Oct 7 (AFP) -- U.S. Defense Secretary Caspar Weinberger left here Tuesday for Beijing and what U.S. officials there said would be a prompt meeting with top Chinese military chiefs.

Mr Weinberger, who arrived here for a stopover Monday, paid a courtesy call on Hong Kong Governor Sir Edward Youde.

The U.S. defense secretary is to arrive in the Chinese capital Tuesday on the first leg of an 18-day trip that will also take him to India and Pakistan.

(In Peking, U.S. officials said Chinese officials have asked that Mr. Weinberger meet with top Chinese Army chiefs immediately after his arrival here.

(Mr. Weinberger would have a brief meeting with three key military leaders in the Great Hall of the People, a U.S. Embassy spokesman said, adding that the meetings had been arranged by the Chinese at the last minute.

(Mr. Weinberger, the guest of Defense Minister Zhang Aiping, will meet General Yang Shangkun, permanent vice-chairman of the Central Military Commission headed by top leader Deng Xiaoping, and General Yang Dezhi, chief of the general staff, the official said.

(General Hong Xuezhi, director of the General Logistics Department, who leaves soon on a visit to the United States, will also participate in the meeting, the U.S. official added.

(The Pentagon chief's visit to Beijing does not officially begin until Wednesday morning, with a welcome ceremony in front of the National Military Museum.

(Mr. Weinberger's stay in China was to include a visit to a military base on the outskirts of Beijing where he would see a military display, the U.S. Embassy official said.

(On Friday, the U.S. defense secretary would fly southwest to Kunming, a support base for Chinese forces engaged in continuing border skirmishes with Vietnam, to meet General Fu Guanyou, commander of the southwest military region.

(Enroute he would stop at Xichang, in Sichuan Province, the satellite launch base for which China has been soliciting foreign business, including that of commercial U.S. communications firms.)

China is the first official stop on a swing through Asia that includes visits to India and Pakistan followed by stops in Italy and Scotland.

Mr. Weinberger will be the first U.S. defense secretary to visit India.

Arrives in Beijing

OW071128 Beijing XINHUA in English 1124 GMT 7 Oct 86

["U.S. Defense Chief Arrives in Beijing" -- XINHUA headline]

[Text] Beijing, October 7 (XINHUA) -- U.S. Secretary of Defense Caspar Weinberger flew in this evening to begin his four-day official visit to China as guest of his Chinese counter-part Zhang Aiping.

Weinberger, who made his first China visit in 1983, told the Chinese Defense Ministry officials, "I'm very glad to be back in Beijing."

Chinese sources say that while in Beijing, Weinberger is expected to have talks with Zhang and meet some Chinese leaders to exchange views on the present-day world situation and on Sino-U.S. relations.

He is also scheduled to visit a satellite launching site in southwest China and inspect some Chinese military units in northern China.

Weinberger went from the airport straight to the Great Hall of the People in central Beijing to meet Yang Shangkun, vice-chairman of the Central Military Commission, Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, and Zhang Aiping, his Chinese host.

Tomorrow morning, Weinberger will be officially welcomed at a ceremony by the Chinese Ministry of Defense.

PRC FISHING FLEET TO SET OFF FOR ALASKA

OW051200 Beijing XINHUA in English 0730 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- The Chinese ocean-going fishing fleet is to set off this month to the waters of Alaska on another fishing voyage, the OVERSEAS EDITION of the PEOPLE'S DAILY reported today.

The expedition fleet is made up of three 3,000-DWT ships imported from Federal Germany and is expected to operate there for about six months, the report says.

The fishing operations came under a Sino-U.S. fishing agreement signed in June last year. The first fishing voyage was made by the China ocean-going fleet in November last year and the fleet returned in July this year, with a total catch of 12,000 tons of fish and other aquatic products.

The report also disclosed that a fleet of 40 ships will set off for the South Pacific to fish tuna.

PRC, USSR VICE MINISTERIAL TALKS BEGIN

OW061053 Tokyo KYODO in English 1048 GMT 6 Oct 86

[Text] Beijing, Oct. 6 KYODO -- The ninth Sino-Soviet vice foreign ministers meeting to discuss normalization of relations between the two countries started here Monday.

The meeting was attended by Soviet delegate, Vice Foreign Minister Igor Rogachev, and Chinese Vice Foreign Minister Qian Qichen.

Upon his arrival here Sunday, Soviet Vice Foreign Minister Rogachev said that Soviet leader Mikhail Gorbachev's proposal for improving Sino-Soviet relations made in his Vladivostok speech on July 28 would be a major topic at the bilateral normalization talks.

In-depth exchange of opinions regarding Gorbachev's proposal is believed to have been conducted from the outset of the current round of normalization talks.

The talks are expected to last for about one week, according to the Soviet Embassy in Beijing.

GORBACHEV COMMENTS ON ICELAND MEETING REPORTED

OW031620 Beijing XINHUA in English 1609 GMT 3 oct 86

["Gorbachev: Iceland Meeting To Find Ways of Implementing Last Year's Geneva Accords" -- XINHUA headline]

[Text] Moscow, October 3 (XINHUA) -- Soviet leader Mikhail Gorbachev said today his meeting with U.S. President Ronald Reagan in Iceland next week should mean the beginning of action on the accords the two leaders reached last year at their summit in Geneva.

Gorbachev was referring to the joint statement issued after the November, 1985, summit, in which the two leaders pledged to find ways to speed Soviet-U.S. talks on nuclear and space weapons.

The Soviet leader, making his first public comments since the announcement of the october 11 and 12 summit in Reykjavik, Iceland, was speaking at a ceremony in Moscow commemorating Ernst Thaelmann, the leader of the German Communist Party from 1925 to 1944 who died in the Nazi concentration camp of Buchenwald.

"The arms race makes the partition between peace and war ever more thin... the militarization of outer space is a step to war. We are calling for an end to nuclear tests and for starting to reduce the stocks of nuclear weapons in earnest and on a large scale", the official news agency TASS quoted Gorbachev as saying.

"A nuclear apocalypse is not a fatal inevitability. Mankind can avert the terrible threat which hangs over it," he continued.

"Our proposals to Ronald Reagan to hold a working meeting, so to say, was prompted precisely by these considerations," Gorbachev added. "We have one and the same objective here: To start, at least, the realization of our accords reached in Geneva with the President of the United States."

"I think this fully meets the interests of both the Soviet and American people and all the peoples in the world."

Today's ceremony was attended by Democratic German leader Erich Honecker, who arrived in Moscow yesterday.

SINO-SOVIET POLEMICS IN THE 1960's REASSESSED

HK040824 Hong Kong TA KUNG PAO in Chinese 4 Oct 86 p 1

[Report: "Polemics in the 1960's Were Complicated, and Have Yet To Be Reassessed"]

[Text] Beijing, 3 Oct -- While answering questions on appraising the polemics in the 1960's, Wu Tangxing, a spokesman of the CPC Central Committee International Liaison Department, said that the polemics were a complicated matter, and that a long time was needed to make a reassessment. He added: This is a matter that not only involves the CPC, but also other communist parties. We are willing to reassess the polemics. In the restoration of party relations between the CPC and other communist parties are based on the lessons drawn from the polemics in the international communist movement. In a certain sense, this is a reassessment of the polemics.

XINJIANG PREFECTURE DEVELOPING TRADE WITH USSR

HK010536 Beijing CHINA DAILY BUSINESS WEEKLY in English 24 Sep 86 p 1

[By staff reporter Qin Xiaoli]

[Text] One of the westernmost border outposts in China is not immune to the country's modernization drive despite its distance from the nation's economic mainstream.

Ili Kazak Autonomous Prefecture in the Xinjiang Uygur Autonomous Region is solving its geographic isolation by looking west across the border to its neighbour, the Soviet Union.

Border trade has been increasing 30 per cent a year since resumption after an 11-year hiatus caused by political schisms.

Between 40 and 60 Soviet trucks drive across the border at Korgas every day carrying rolled steel, cement, glass, cars and other Soviet industrial goods. They take back light industrial products, and animal and farm produce.

Guan Xisheng, manager of the Ili, Foreign Trade Company, told BUSINESS WEEKLY that Ili imported commodities worth $40 million from the Soviet Union last year and exported $19 million in goods.

The trade deficit was covered by the State.

Materials imported across the border are consumed only in Xinjiang, and exports are supplied by Xinjiang itself. Guan said Ili at present has some difficulties fulfilling export quotas due to the backward commodity economy in the area.

Ili covers 350,000 square kilometres bordering the Soviet Union and Mongolia. Its trading history was closely linked with the former.

When border trade was closed in 1962, Ili tried to shift its trade to China's east coast some 3,500 kilometres away. But transport costs destroyed the price competitiveness of most Ili products, and costs of imports soared.

Even so, Ili has been exporting textile and native products to Hong Kong, the United States, and East Europe, and importing building materials, machinery, and electronic appliances.

"We don't know exactly what is marketable in the Soviet Union and East Europe, nor do they know what we need," Guan said.

Last year, Ili held an export commodity exhibition in the Soviet Union and will host one from the Soviet Union next year to exchange market information.

Ili is watching with great interest central government level talks about opening air service between Yining, capital of Ili Prefecture, and nearby Soviet republics. At present, trade and passengers flow along a cross-border highway.

The Korgas border post is open to both goods and people. Local residents frequently visit relatives across the border, exchanging gifts such as Soviet-made refrigerators and Chinese-imported Japanese cassette recorders.

Local officials said they want to develop the tourist industry once the prefecture opens fully to the outside world. At present, foreigners need permits to visit Ili although Hong Kong people can travel there with no requirements.

Several joint ventures have been proposed in Yining, one involving colour photo printing, but none has materialized so far.

SOVIET OFFICERS ATTEND PRC JUBILEE CEREMONIES

OW060137 Beijing in Russian to the USSR 1800 GMT 4 Oct 86

[Text] Recently, 60 Soviet border guard officers who were engaged in border talks with the Chinese were invited to ceremonies organized in 11 border settlements of China's Heilongjiang Province in connection with the 37th anniversary of the founding of the PRC. The ceremonies were organized by the local organs of China's border regions. The Soviet guests watched Chinese films and video recordings, visited plants, schools, revolutionary veterans' houses, and photo and art exhibitions.

Art programs were organized for them by Raohe County literary and art workers and schoolchildren of Heihe Prefecture. The schoolchildren presented the Soviet guests with a pair of inscriptions: Both Nations Are Linked by the Same Heilongjiang River; Our Friendship Will Be Eternal. In exchange, the Soviet border guards presented a wreath bearing the inscription -- Soviet-Chinese Friendship.

Local officials of the Suifenhe and Xunke city branches of the China-USSR Friendship Association also met the Soviet guests.

LI XIANNIAN ENDS VISIT TO DPRK, RETURNS HOME

Message to Kim Il-song

OW070201 Beijing XINHUA Domestic Service in Chinese 1430 GMT 6 Oct 86

[Text] Pyongyang, 6 Oct (XINHUA) -- While leaving Pyongyang for home this afternoon, President Li Xiannian sent President Kim Il-song a message thanking President Kim and the Korean party, government, and people for according him a grand and warm welcome and a cordial and warm reception. The full text of the message follows:

General secretary of the Workers Party of Korea [WPK] Central Committee, president of the DPRK, and Comrade Kim Il-song:

During my current official goodwill visit to your country, I have been accorded a grand and warm [long zhong re lie di 7127 6850 3583 3525 4104] welcome and extremely cordial and warm [ji wei qin qie re qing di 2817 3634 6024 0434 3583 1906 4104] reception. My stay here has been very pleasurable and very meaningful. While I am about to leave your country, I hereby give my heartfelt thanks to you, respected comrade president, and through you to the WPK Central Committee, the DPRK Government, and the fraternal Korean people. We are greatly inspired by and will never forget the sincere friendly feelings shown by the Korean people for the Chinese people.

During the visit, you, comrade president, and I held several cordial meetings and sincerely exchanged views on matters of common concern. Our meetings have further enhanced our long revolutionary friendship and have positively contributed to the promotion of close relations between our two parties and our two countries. I am very satisfied with the visit.

I wholeheartedly wish that the Korean people, working under the leadership of you, comrade president, and the WPK will constantly make new accomplishments and progress in building socialism and in achieving an independent, peaceful reunification of your country. I am firmly convinced that the great Sino-Korean friendship, founded on the principle of Marxism-Leninism and proletarian internationalism, will surely grow from generation to generation in the future and will last forever as the sun and the moon.

Li Xiannian

6 October 1986

Leaders Greet on Return

OW061044 Beijing XINHUA in English 1032 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- Li Xiannian, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and president of the People's Republic of China, returned here by special plane this afternoon after paying an official friendship visit to the Democratic People's Republic of Korea (DPRK).

Greeting him at the airport were Ulanhu, vice-president of China, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice-premier of the State Council, and leading members of departments concerned as well as Kim Chang Kyu, charge d'affaires ad interim of the DPRK Embassy in Beijing.

Returning on board the plane were Lin Jiamei, wife of President Li, and Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor and minister of foreign affairs, who accompanied Li on the visit to DPRK.

Radio Hails Visit

SK070203 Beijing International Service in Korean 1100 GMT 6 Oct 86

[Station commentary]

[Text] At the invitation of Comrade Kim Il-song, general secretary of the Workers Party of Korea Central Committee and DPRK president, Comrade Li Xiannian, member of the Presidium of the Political Bureau of the CPC Central Committee and PRC president, paid an official and friendly visit to the DPRK from 3 to 6 October. This visit, which attained satisfactory [wonmanhan] success, greatly contributed to further strengthening and developing the militant friendship maintained between the peoples of the two countries.

China and Korea, whose mountains and rivers are linked together and which have inseparable [sunchi] relations, have maintained extraordinarily close relations in the protracted revolutionary struggle and in the cause of building socialism. In recent years, the leaders of the two parties and governments have frequently exchanged visits just as relatives do. Comrade Li Xiannian's recent visit to Korea was one once again materializing such great friendship. Upon his arrival in Pyongyang, Comrade Li Xiannian received warm hospitality from Comrade Kim Il-song, along with a welcome from more than 200,000 people along the streets. Comrade Li Xiannian watched gymnastics performed in Pyongyang by more than 50,000 students.

The grand hospitality afforded to Comrade Li Xiannian directly showed the Korean people's feelings of deep friendship toward the Chinese people.

During the recent visit, Comrades Li Xiannian and Kim Il-song held useful talks to discuss bilateral relations and important international issues. Confirming that the alleviation of the situation on the Korean peninsula is of great significance in forging ahead with the work of achieving the independent and peaceful reunification of Korea and in preserving peace and security in the entire area of Asia and the Pacific region, both sides expressed intentions to further exert efforts to achieve this end.

After emphatically saying that China will resolutely support all of the Korean Government's proposals for alleviating the situation on the Korean peninsula, Comrade Li Xiannian said that by positively responding to such proposals, the United States and the South Korean side should stop a large-scale joint military exercise, which has been staged annually, and should sincerely discuss, together with North Korea, a practical way to alleviate the situation.

During the visit, Comrade Li Xiannian, while praising the great success attained by the Korean people in socialist construction, highly appreciated the fact the Korean Government has externally implemented a policy for independence, friendship, and peace.

Comrade Kim Il-song greatly appreciated the huge success attained by the Chinese people in the struggle to build Chinese-type socialism. He said that it is the consistent policy of the parties and governments of Korea and China to struggle to prevent a war and to provide a peaceful atmosphere for socialist construction.

Comrade Li Xiannian's recent visit to Korea not only raised China-Korea friendship to a new level but also vividly demonstrated the great friendship between the parties and governments of China and Korea. Such a friendship will last forever like the flow of the Yalu River.

HU QILI SAYS NO CHANGE IN PRC STAND TOWARD SEOUL

OW070129 Tokyo KYODO in English 0113 GMT 7 Oct 86

[Text] Beijing, Oct 7 KYODO -- Politburo member Hu Qili on Monday denied recent speculation that China is moving toward establishing diplomatic relations with South Korea following the sending of a big Chinese delegation to the 10th Asian Games in Seoul which ended Sunday.

China topped the medal standings in the ASIAD.

Hu, a member of the Secretariat of the Communist party Central Committee, said the dispatch of the athletes to Seoul does not signify a move by China to conclude diplomatic ties with Seoul. There is no change in China's attitude toward South Korea, he said.

He made the statement during a meeting here with a visiting delegation of the Federation of Independent Unions of Japan.

China has official relations with North Korea, but not with South Korea.

Hu told the Japanese visitors that China strongly hopes for peace and stability on the Korean peninsula, according to a source in the Japanese group.

Hu particularly mentioned the just-ended North Korean visit by Chinese President Li Xiannian, saying that Li repeated China's support for North Korean President Kim Il-song's proposal for establishing the Democratic Confederal Republic of Koryo as a step toward unifciation of the peninsula. Li also endorsed Kim's call for North-South dialogue, Hu told the Japanese.

China hopes that the U.S.-Soviet summit, scheduled for October 11-12 in Reykjavik, will succeed and help ease the tension between the superpowers, Hu said.

U.S. RECONNAISSANCE FLIGHTS OVER DPRK REPORTED

OW061624 Beijing XINHUA in English 1615 GMT 6 Oct 86

[Text] Pyongyang, October 6 (XINHUA) -- The U.S. high-altitude reconnaissance plane "SR-71" this morning flew over the eastern coastal waters of the Democratic People's Republic of Korea (DPRK) for aeiral espionage, the Korean Central TV station reported tonight.

Such reconnaissance activites, the report said, numbered 12 in September alone.

This shows that the United States does not want detente and peace on the Korean peninsula, the report pointed out.

HONECKER VISIT TO BOOST GDR-PRC COOPERATION

OW040710 Beijing XINHUA in English 0700 GMT 4 Oct 86

[Text] Berlin, October 4 (XINHUA) -- Democratic German leader Erich Honecker's forthcoming visit to China later this month will usher in a new period of cooperation between the two countries, First Deputy Foreign Minister Herbert Krolikowski told XINHUA Friday.

Krolikowski, who is also secretary of the State Council, said in an interview with XINHUA that he believes Honecker's visit will certainly give impetus to the friendly and overall cooperation between the two countries.

He said that Democratic Germany and China share common views on many international issues such as disarmament and peace. Honecker's China trip will promote world peace, he added.

Krowlikowski, who visited China in 1984, said that economic cooperation has played an important role in developing Democratic German-Chinese relations. There is great potential in economic, scientific and technological cooperation between the two countries, he noted.

Erich Honecker, general secretary of the German Socialist Unity Party and chairman of the Council of State, will visit China in the second half of this month at the invitation of Hu Yaobang, general secretary of the Communist Party of China, and Chinese President Li Xiannian.

WU XUEQIAN AT GDR ENVOY'S NATIONAL DAY RECEPTION

OW070836 Beijing XINHUA in English 0800 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Ambassador of the German Democratic Republic (G.D.R.) to China Rolf Berthold held a reception at the embassy here earlier today to mark the 37th anniversary of the founding of the G.D.R.

State Councillor and Foreign Minister Wu Xueqian was among those attending the reception.

YUGOSLAV PEOPLE'S ARMY DELEGATION VISITS

Zhang Aiping Hosts Banquet

OW031702 Beijing XINHUA in English 1643 GMT 3 Oct 86

[Text] Beijing, October 3 (XINHUA) -- Chinese Minister of National Defence Zhang Aiping gave a banquet here tonight in honor of a delegation from the Yugoslav People's Army led by Branko Mamula, federal secretary for national defence and admiral of the fleet.

The two ministers reviewed the traditional friendship between the two countries, the two peoples and the two armies, hoping that the existing friendly cooperation would be consolidated and further develop.

Earlier today, Zhang presided over a welcoming ceremony for the delegation at the plaza in front of the military museum of the Chinese People's Revolution.

Hu Yaobang Meets Leader

OW051404 Beijing XINHUA in English 1300 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Chinese leader Hu Yaobang said here today that socialist countries should strive for relaxing their relations with capitalist countries and for peaceful coexistence with them in a considerably long period of time.

Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, made these remarks at a meeting with a delegation from the Yugoslav People's Army led by Branko Mamula, federal secretary for national defence and admiral of the fleet, here this afternoon.

First of all, he said, the relations between the Eastern and Western Europe should be relaxed.

Provided that the socialist countries follow correct foreign policies and on the condition that their national defense is consolidated, he stated, relaxation will be possible.

Hu Yaobang said to Mamula that the two armies of China and Yugoslavia should combine the defence of their own countries with the tasks of striving for peace.

"Now we are confronted with the tasks of boosting our economy. So we are determined to reduce our military expenditure," he added.

Because of the limited military expenditure, it is necessary to try to support the defence construction by such methods as letting the defence industries to produce some products for civilian use. Besides, China will strengthen its cooperation with friendly countries in military technologies.

Manula said he had had very good talks with Chinese Minister of National Defence Zhang Aiping in Beijing to explore ways of strengthening bilateral cooperation in defence industries.

Yang Dezhi Hosts Delegation

OW051414 Beijing XINHUA in English 1319 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met and feted a delegation from the Yugoslav People's Army led by Branko Mamula, federal secretary for national defence and admiral of the fleet, here this evening.

In their speeches, both Yang and Manula stressed the further development of the friendly relations and cooperation between the two socialist countries, and their peoples and armies.

Yugoslav Ambassador to China Zvone Dragan was present on the occasions.

Delegation Winds Up Visit

OW061116 Beijing XINHUA in English 1057 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- A delegation from the Yugoslav People's Army led by Admiral of the Fleet Branko Mamula, federal secretary for national defense, wound up its visit to China and left here for Korea this afternoon.

Earlier today, Chinese State Councillor and Minister of National Defense Zhang Aiping held talks with delegation, at which they conferred on the expansion of friendly relations and cooperation between the two armies.

While in China, the delegation watched a demonstration flight of an Air Force unit of the Chinese People's Liberation Army and visited a P.L.A. Naval unit in Shanghai.

SFRY DAILY ON PRC'S 'IDEOLOGICAL BREAKTHROUGH'

OW031743 Beijing XINHUA in English 1729 GMT 3 Oct 86

[text] Belgrade, October 3 (XINHUA) -- The Yugoslav daily "POLITIKA" today said China has made an important ideological breakthrough in defining the socialist system.

Commenting on the Sixth Plenary Session of the Chinese Communist Party 12th Central Committee, held five days ago in Beijing, POLITIKA said Chinese leaders at the meeting made clear the guiding principle behind building "socialism with Chinese characteristics."

That principle, POLITIKA said, means reforming the country's economic and political structures, speeding up its cultural and ideological progress, improving the socialist legal system and making sure that these aspects are coordinated and complement each other.

The guiding principle was laid down at the 12th National Congress of the Chinese Communist Party four years ago in Beijing, the paper noted.

The party's central committee cautiously but resolutely called for political reform, the paper said. China now considers it wrong to regard Marxism as a rigid dogma nor does it view it as an outmoded theory, the paper said.

It said China stands for learning what is useful from every country in the world and adopting the advanced scientific and technological achievements of others, even those of capitalist countries, while not adopting their social system or ideology.

CPC TO NORMALIZE RELATIONS WITH POLISH PARTY

OW031337 Tokyo NHK Television Network in Japanese 1200 GMT 3 Oct 86

[From "News Center 9" program]

[Text] According to a report from Beijing correspondent Sonoda, the CPC hopes to normalize relations with the Polish United Workers' Party in the very near future. The two parties severed relations in the early 1960's.

The normalization was disclosed today by Xu Xingtang, deputy secretary general of the Information Bureau under the CPC Central Committee. Deputy Secretary General Wu pointed out that the talks between Jaruzelski, chairman of the Polish Council of Ministers who visited China late last month, and the Chinese leadership were of extreme significance. He stated that through a series of talks, the normalization of relations between the Chinese and Polish parties will become a matter of fact in the very near future.

BEIJING REVIEWS DEVELOPMENT OF SINO-POLISH TIES

OW021215 Beijing in Russian to the USSR 1800 GMT 29 Sep 86

["Review" entitled: "Uninterrupted Development of Relations of Friendly Cooperation Between the PRC and Poland"]

[Text] In recent years friendly relations between the PRC and Poland have developed satisfactorily. Cooperation between the two countries in various fields is increasing steadily as well. Contacts and exchange of visits between officials of the two countries are becoming more frequent all the time. Since 1984 foreign ministers of the two countries have been meeting annually at the UN General Assembly sessions, and meetings between other ministers are held even more often. Deputy Prime Ministers in charge of economic affairs of the two countries exchanged visits last year. A delegation of the PRC National People's Congress headed by Wang Renzhong visited Poland, and Malinowski, marshal of the Polish Sejm [parliament], visited China last June. These contacts and visits promoted PRC-Poland relations and strengthened the traditional friendship of peoples of the two countries.

PRC-Polish economic and trade relations developed considerably in the last few years. The volume of trade between the two countries in 1984 amounted to 470 million Swiss francs and reached the highest point ever in history. In that same year China and Poland signed a 10-year agreement on cooperation in the economic, scientific, and technological fields. The two countries formed an intergovernmental commission on economic, trade, scientific, and technical cooperation and concluded a consular agreement for the first time in the history of relations between the two countries. In 1985 the volume of trade between the two countries increased 2.8 fold compared with the previous year. In May last year, the governments of the two countries signed a long-term trade agreement for the 1986-90 period. It is expected that the volume of trade between the two countries will reach 1.5 billion Swiss francs this year. In the mutually profitable trade, China exports rice, tea, pork, cotton, and so forth to Poland and imports machines, equipment, automobiles, rolled metal, and other goods from Poland. In addition to traditional partnership trade, cooperation in production and transfer of technology have also developed between the two countries. Both sides hope to find new methods of economic cooperation.

The state of affairs is also good in the field of PRC-Polish cooperation in shipping. The Sino-Polish Shipping Company founded in 1951 has for a long time made a positive contribution to the development of Sino-Polish, Sino-Czechoslovak, and Sino-Hungarian trade.

Sino-Polish scientific and technical cooperation has a more than 30-year-long history. It now covers dozens of branches of industry including coal, power generating, railways, light and chemical industries, agricultue, forestry, health, and so forth. In May this year, the two countries signed a program for scientific-technical cooperation for the 1986-90 period. So there will be a great and deeper development in scientific and technical cooperation between the two countries.

Cultural exchanges are growing rapidly between China and Poland. In 1984, the governments of the two countries signed the Sino-Polish plan for cultural and scientific exchanges for the 1985-86 period. Shanghai art group, Xinjiang circus group, Beijing opera group, the Chinese Wushu national gymnastics group, and Chinese coalminers' art group visited Poland in the last few years. A Chinese export goods exhibition was held in Poland last year. The Polish (Mazovshi) song and dance group has again toured China. These visits were warmly welcomed by the people in both countries. In addition, there has been an increase in contacts between the two countries in the field of education, health, sports, tourism, and journalism, and cooperation has been fruitful.

Chinese and Polish leaders have expressed their readiness to further develop their friendship and cooperation relations. The current visit of Jaruzelski, chairman of the Polish State Council, to China will undoubtedly strengthen these relations still further.

SOURCES SAY POLICE OFFICIALS IN JARUZELSKI PARTY

HK060842 Hong Kong AFP in English 0801 GMT 6 Oct 86

[Text] Beijing, Oct 6 (AFP) -- Top Polish police officials accompanied General Wojciech Jaruzelski on a visit here last week and met secretly with senior Chinese officials, informed East European sources said Monday. It was the first time in more than 25 years that such high-ranking police officials from a Soviet bloc country have visited China.

General Czeslaw Kiszczak, the Polish minister for internal affairs, whose department is charged with law enforcement as well as counterespionage, and the head of the Polish police, General Bejm, were included in the delegation, the sources said.

There of four senior officials from the Internal Affairs Ministry also came.

They added that it was likely the Polish police chiefs held talks with Ruan Chongwu, head of the Chinese Ministry of Public Security, and Jia Chunwang, head of the Ministry of State Security, China's counterespionage arm.

"The (police officials) virtually disappeared after their arrival in China," one source said. "They were invisible during most the public meetings."

Stanislaw Sikorski, a Polish Embassy spokesman, said he knew nothing about Gen. Bejm's presence in the Polish delegation and had nothing to and beyond what was published in the Chinese press.

Gen. Jaruzelski was accompanied by more than 50 Polish Government and Communist Party officials during his September 28-30 visit, which saw the restoration of party-to-party ties between China and Poland.

The sources said Foreign Minister Wu Xueqian used his meetings with the number two of the Polish Communist Party, Josef Czyrek, to air China's grievances over Soviet support for the Vietnamese intervention in Cambodian and the Soviet military presence in Afghanistan.

Gen. Jaruzelski met with several senior Chinese officials, including top leader Deng Xiaoping. He visited Moscow for meetings with Soviet leader Mikhail Gorbachev both before and after his visit to China.

LI PENG CONTINUES TOUR OF 3 AFRICAN COUNTRIES

Meets Ivory Coast Officials

OW021807 Beijing XINHUA in English 1613 GMT 2 Oct 86

[Text] Abidjan, October 2 (XINHUA) -- Chinese Vice Premier Li Peng and Camille Allali, minister of state of the Ivory Coast, both had a favorable impression of their talks here Thursday morning.

Both were satisfied with the development of friendly relations and cooperation between China and Ivory Coast and promised to further develop the process.

They had discussed economic development and building of their respective countries.

Also present at the meeting were Qi Huaiyuan, Chinese vice foreign minister, Lu Xuejian, vice minister of the Chinese Ministry of Foreign Economic Relations and Trade, and Zhu Chengcai, Chinese ambassador to Ivory Coast.

Gilles Laubhouet Vally, minister of rural development of the Ivory Coast, and Amoakon-Edjampan Tiemele, ambassador of Ivory Coast to China, were on hand.

The Chinese vice premier also visited Lanzeni Coulibaly, minister of state of the Ivory Coast, Henri Konan Bedie, president of the National Assembly, and the president of the Economic and Social Council Gregoire Philippe Yace.

Ends Ivory Coast Visit

OW041148 Beijing XINHUA in English 0657 GMT 4 Oct 86

[Text] Abidjan, October 3 (XINHUA) -- Chinese Vice-Premier Li Peng wound up a two-day official visit here and left for Ghana, the second step of his African tour. [sentence as received]

During his visit here, Li Peng met with Ivory Coast President Felix Houphouet-Boigny and expressed admiration of the Ivory Coast's social and economic achievements to the president.

Li Peng also said China and the Ivory Coast share a common view on many international problems and both need a peaceful international environment for economic construction.

Li Peng visited two large enterprises in Abidjan, the economic capital of the Ivory Coast: The Blohorn Society which produces vegetable oil, soap and lipochemicals and the Capral Society which produces soluble coffee and liquor chocolate.

Li also visited some schools and institutes in Yamoussoukro, political capital of Ivory Coast.

Arrives in Ghana

OW040110 Beijing XINHUA in English 0046 GMT 4 Oct 86

[Text] Accra, October 3 (XINHUA) -- Chinese Vice-Premier Li Peng arrived here from Abidjan this evening to start an official good-will visit to Ghana at the invitation of the Ghanaian Government.

This is the first visit by a high-ranking Chinese official to Ghana since the country's Provisional National Defense Council (PNDC) Government took power five years ago.

The Chinese vice-premier and his party were warmly welcomed at the Kotoka International Airport by member of the ruling council Captain Kojo Tsikata and Acting Secretary for Foreign Affairs Kwamena Ahwoi.

Chinese Embassy officials, representatives of Overseas Chinese in Accra and diplomats of various countries accredited here were also at the airport.

A Ghanaian school girl presented flowers to the Chinese vice-premier.

Meeting the press at the airport, the Chinese vice-premier said his visit is to deepen mutual understanding and enhance friendship between the two countries. He pointed out that "Ghana is one of the first countries in Africa to win independence and also one of the first countries to establish diplomatic relations with the People's Republic of China." "I hope my visit will contribute to the enhancement of bilateral relations between the two countries," he said.

On China's policy on African countries, Li Peng said that nearly all African countries are developing countries like China, belonging to the Third World. He stressed that China's policy on Africa is a policy of friendship and cooperation. "I think China will continue to make efforts to maintain good relations with African countries," he added.

Ghana is the third stop in Li's Africa tour his visits to Botswana and Ivory Coast. He will leave here on Monday.

Talks With Ghanaian Leaders

OW050215 Beijing XINHUA in English 0159 GMT 5 Oct 86

[Text] Accra, October 4 (XINHUA) -- The visiting Chinese Vice-Premier Li Peng held talks here this morning with P. V. Obeng, member of Ghana's Provisional National Defence Council and chairman of the Committee of Secretaries.

Li Peng first of all briefed the Ghanaian hosts on the current Chinese political and economic situation. He said that China is carrying out economic adjustments and an open-door policy to develop the national economy and improve the people's living standard. He expressed China's support for world peace and the establishment of a new international economic order. "We support not only the North-South dialogue but also South-South cooperation," he added.

The Chinese vice-premier was satisfied with the growth of friendly relations between China and Ghana, hoping that his visit would accelerate the development of bilateral relations and cooperation.

Obeng also briefed the Chinese guests on Ghana's economic recovery program. He said his country is adjusting some economic activities in accordance with the recovery program and the interest of the people. He thanked China for its economic assistance to Ghana and hope to broaden the area of cooperation between the two countries.

Meets Defense Council Chairman

OW051101 Beijing XINHUA in English 0820 GMT 5 Oct 86

[Text] Accra, October 4 (XINHUA) -- The visiting Chinese Vice-Premier Li Peng paid a courtesy call on head of state and chairman of the Ghanaian Provisional National Defence Council (PNDC) J. J. Rawlings here this afternoon.

Both expressed satisfaction with the development of bilateral relations and briefed a each other on the experience in national construction of their respective countries. They shared the belief that the exchange of experiences could increase mutual understanding.

Li Peng wished Ghana new achievements in her economic development.

They also exchanged views on international issues of common interest.

Visits Power Project

OW060236 Beijing XINHUA in English 0220 GMT 6 Oct 86

[Text] Accra, October 5 (XINHUA) -- The visiting Chinese Vice-Premier Li Peng today toured the Akosombo hydro-electric power project, about 100 kilometers from Accra.

At the site, Li Peng listened interestedly to the briefing by director of power operation T. S. Okpoti on the operation of the project.

Li Peng wrote on the visitors' book: "The Akosombo hydro-electric power project is Ghana's important energy base, providing Ghana with cheap electricity, providing factories with power and cities and rural areas with brightness. May the project operate safely. May the project make greater contribution to Ghana's economic prosperity."

The power project is located at the Valter River. It supplies power not only to Ghana itself but also to neighboring countries such as the Ivory Coast, Togo and Benin.

Li Beng visited the Kpong farm and the Kpong hydro-electric power project later today. The farm's manager A. L. Papastavrou briefed the Chinse guest on the farm's rice production. On his way to Akosombo, the vice-premier visited two peasants families in the village of Afienya.

During their visit, Li and his party were accompanied by Ghana's acting Secretary for Foreign Affairs Kwamena Ahwoi and the Provisional National Defense Council Secretary Don-Arthur.

Li and his party will end their visit and leave here tomorrow morning.

Trade Protocol Signed

OW051103 Beijing XINHUA in English 0831 GMT 5 Oct 86

[Text] Accra, October 4 (XINHUA) -- China and Ghana signed here this evening an exchange of notes and a protocol on the exchange of goods between them in 1987-88.

Chinese Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and Acting Secretary for Foreign Affairs of Ghana Kwanmena Ahwoi signed the documents on behalf of their governments.

The visiting Chinese Vice-Premier Li Peng and Vice-Minister of Foreign Affairs Qi Huaiyuan as well as Ghana's Provisional National Defence Council Member P.V. Obeng, Secretary for State Committee for Economic Cooperation Don Arthur and Acting Secretary for Trade and Tourism Ato Ahwoi were present at the signing ceremony.

According to the exchange of notes, China will assist Ghana in the construction of a theatre and grant Ghana manufactured goods for daily use worth 200,000 yuan renminbi (approximately 54,000 U.S. dollars).

Under the protocol, China will import cocoa beans and timber logs from Ghana and export to it farm implements and industrial machines, textile raw materials, jute products, sports goods and stationery, light industrial products, drugs, chemicals and electronics.

The Ghanaian Government held a reception in honor of the Chinese guests this evening.

Departs Ghana for Egypt

OW061616 Beijing XINHUA in English 1538 GMT 6 Oct 86

[Text] Accra, October 6 (XINHUA) -- Visiting Vice-Premier Li Peng left here this morning for Egypt after concluding his official good-will visit to Ghana.

In a brief speech at the airport before his departure, Li Peng thanked the government and people of Ghana for their warm hospitality.

Reviewing his talks with Chairman of the Provisional National Defense Council (PNDC) J.J. Rawlings, member of the PNDC and Chairman of the Committee of Secretaries P.V. Obeng and member of the PNDC Kojo Tsikata, Li Peng said, "We have had in-depth talks on the international situation and bilateral relations. The talks have contributed to the deepening of mutual understanding. We found that many of the views were identical or similar."

He disclosed that the two sides have reached an agreement in principle to set up a joint Ghana-China economic commission as suggested by Obeng.

He hoped the bilateral relations between the two countries would be further strengthened.

Stops Over in Lagos

OW061650 Beijing XINHUA in English 1640 GMT 6 Oct 86

[Text] Lagos, October 6 (XINHUA) -- Chinese Vice-Premier Li Peng, who is touring Africa, expressed Chinese Government's support for U.S. Congress to overturn a presidential veto recently to enact a bill imposing a package of sanctions against South Africa.

He made the remarks in answering questions from reporters at the Lagos International Airport today.

Referring to Sino-Nigerian relationship, Li Peng said that the Chinese people and government wish to strengthen the existing good relations between the two friendly countries.

The Chinese vice-premier and his party arrived here from Ghana this morning for a one-hour stay at the airport, and then left for Egypt.

Li Peng was met at the airport by Nigerian Navy Captain and Military Governor of Lagos State Mike Akhigbe on behalf of the country's Federal Military Government.

Arrives in Cairo

OW070118 Beijing XINHUA in English 0050 GMT 07 Oct 86

[By Wang Genbao]

[Text] Cairo, October 6 (XINHUA) -- Chinese Vice Premier Li Peng arrived here tonight. He has been invited to visit the famous Aswan High Dam.

On hand at the airport to welcome him were Egyptian Minister for Power and Energy, Muhammad Mahir Abazah, and Chinese Ambassador to Egypt, Wen Yezhan.

In a written statement issued at the airport, Li Peng said, he was much delighted to be invited to come to visit Egypt and to have a chance to visit the world Famous Aswan High Dam.

He stated, "Egypt is a friendly country of China. The traditional friendship between the two peoples have been developing and the friendly cooperation between the two countries has been strengthened in various fields since the two countries established diplomatic relations thirty years ago."

He noted that the promote the friendship and cooperation between China and Egypt corresponds with the common aspirations and fundamental interest of the two peoples.

He said, in the cause of building their respective countries and developing their national economy the Chinese people are willing to exchange experiences with the Egyptian friends and the two peoples will give mutual support for each other.

LIAOWANG ON REASONS BANKRUPTCY LAW NOT ADOPTED

HK031055 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 39, 29 Sep 86 pp 13-14

[Article by Gao Ling (7559 1545): "Why the Draft Enterprise Bankruptcy Law Has Not Been Adopted -- Sidelights of the NPC Standing Committee Session"]

[Text] At the 17th Session of the 6th NPC Standing Committee, NPC members had a serious and lively discussion on whether or not a draft bankruptcy law was to be adopted. With a democratic atmosphere prevailing in the session, all session participants spoke without any inhibitions, each airing his own views.

At 1500 on 27 August, the 6th NPC Standing Committee, following legal procedures, held its 17th session to discuss the "State-owned Enterprise Bankruptcy law of the PRC (Draft)." The draft law is the revised draft drawn up by the Law Commission of the NPC on the basis of the "Enterprise Bankruptcy Law of the PRC (Draft)" (called "Bankruptcy Law" for short hereafter) which was drawn up by the State Council through extensive investigations and studies.

At the panel discussions, lasting for 2 days, the participating NPC members raised their own propositions. Some advocated that the current session should adopt the "Bankruptcy Law," asserting that the enforcement of the "Bankruptcy Law" was a kind of reform with a view to encouraging the enterprises to improve their operations and management, thus helping smash the "iron rice bowl" practice in which everyone eats "from the same big pot," overcome lazy work styles, and eradicate egalitarianism. Others objected to this proposal on the grounds that currently, conditions for the promulgation and enforcement of the "Bankruptcy law" were not yet ripe, objective factors affecting the operation and management of enterprises were still many, the decision-making powers in the hands of enterprises were limited, and, moreover, several laws concerning industiral enterprises had not been promulgated. Under these circumstances, it would be difficult to enforce the "Bankruptcy Law" if we adopted it. Still other members believed that an enterprise bankruptcy system could be implemented but that it should be tried experimentally first in some selected areas in accordance with provisional regulations formulated by the State Council and that, when conditions matured, a bankruptcy law could then be enacted and promulgated.

In addition, in the interests of the state and the people, the NPC members "found fault" with the draft law in many respects. NPC member Yang Ligong pointed out: The four lines of protection of "subsidies, guarantees, bankruptcy consolidation, and approval by responsible departments" provided by the draft law in dealing with bankrupt enterprises are in reality provisions largely dominated by the factor of the "rule of man." Therefore, their feasibility warrants further study. NPC member Li Gui said: The law must stipulate that those who actually cause enterprises to go bankrupt should be held responsible, no matter whether they are enterprises or the higher departments in charge of the enterprises. NPC member Peng Qingyuan pointed out: It is hoped that the State Council will consider the question of the minimum living standards of the staff members and workers of bankrupt enterprises and work out specific regulations on this. Moreover, there must be stipulation allowing the representatives of grass-roots trade unions of enterprises to join liquidation groups so that the representatives of the workers will have a say in winding up their enterprises.

The second-stage combined-panel meeting was permeated with a livelier democratic atmosphere.

At 1500 on 3 September, NPC Standing Committee Vice Chairman Peng Chong announced the opening of the combined-panel meeting. NPC member Hou Xueyu was the first to take the floor. He aired his views on the bankruptcy law. Subsequently, many members made speeches one after another. Permeated with a warm and lively atmosphere, the meeting-place was sometimes the scene of quite fierce debates. NPC members Rong Yiren, Zhu Xuefan, Xu Dixin, Ma Wanqi, Li Gui, He Ying, and Cao Yu were all for the adoption of the "Bankruptcy Law."

Well-known economist Xu Dixin said seriously: Practice has proved that the old method of management, under which leaders assume no responsibility and issue blind orders and profits and losses are handled by the state in a unified way can no longer meet increasing needs. How can this guarantee our country's economic development? Currently in the developing socialist commodity economy, it is necessary to implement the principle of selecting the superior and eliminating the inferior. People should refrain from turning pale at the mere mention of a bankruptcy law. I support the promulgation and enforcement of the "Bankruptcy Law" as a tentative law. Weighing every word, Cao Yu spoke with fervor and assurance. He said: On the question of the bankurptcy law, differing views should be encouraged. I am for the adoption of the law. Thorough investigation should be conducted to affix responsibility on those who cause an enterprise to go bankrupt by giving arbitary and impractical directions.

There were divergent views among the NPC members who spoke at the meeting. Han Zheyi, Yang Kebing, Yang Ligong, Mo Wenhua, Zhang Zhen, and Duan Suquan did not agree to the adoption by the current session of the "Bankruptcy Law." Most of them favored experiments being made first before the law was enforced. Some members said firmly: The current session should not adopt the "Bankruptcy Law" and it is also unnecessary to work out any provisional regulations on this matter. Their main arguments are as follows: 1) China's enterprises are not yet producers and handlers of commodities; they do not have decision-making powers; and most of them are in a passive position in their operation and production. 2) In regard to the price system, things have not yet been straightened out. 3) Miscellaneous levies imposed on enterprises are too excessive. All these factors contribute to enterprise losses. They suggested that the State Council work out some bankruptcy regulations and assign some provinces and cities to implement them on a trial basis. Yang Kebing said that it would not do to enact a bankruptcy law at present and that it would also be difficult to enforce it even if there was one. Subsequently, citing the materials and facts gained from a survey of the three "experimental factories" in Shenyang as an example, she pointed out: The aforesaid three factories in Shenyang cannot be regarded as enterprise bankruptcy cases because they are not representative units. The most important task at present is to pay close attention to enterprise consolidation and to simplify administrative procedures and delegate powers to lower levels, she contended. Although there were divergent views and even disputes among the NPC members, they had one common goal -- in the interests of the state and the people, they exercised the power entrusted to them by the people conscientiously and carefully.

At the combined-panel meeting, the NPC members criticized the inadequacies in the "Bankruptcy Law" and the unhealthy practices prevailing in government organization in the course of reform. After Yang Kebing made frank criticism of some government organizations which arbitrarily withdraw powers formerly devolved to lower levels in violation of the principle of simplified administration and decentralization of powers, she was applauded by many members.

Seeing the results of the session's discussion, Vice Chairman Peng Chong said to all session participants, laughing: In view of the fact that there are still major differences of view among our members on the "State-owned Enterprise Bankruptcy Law of the PRC (Draft)," the meeting of the chairman and vice chairman of the NPC Standing Committee proposes that to be careful, the current session not make any decision and, after the session, together with the departments concerned, the Law Commission of the NPC make amendments on the basis of further investigations and studies.

On the afternoon of 5 September, the 17th Session of the 6th NPC Standing Committee concluded in a democratic and harmonious atmosphere. Although no decision was made on the "Bankruptcy Law," the lively and democratic atmosphere prevailing in the current session left a deep impression on people.

CIRCULAR APPRAISES FINANCIAL INSPECTION

OW051850 Beijing XINHUA Domestic Service in Chinese 0640 GMT 5 Oct 86

[Text] Beijing, 5 Oct (XINHUA) -- The State Council issued a circular on 3 October to all localities and departments on carrying out general inspection of taxation, financial affairs, and prices in 1986.

The "Circular" says: The various localities and departments did a lot work and scored great achievements in carrying out nationwide general inspection on taxation, financial affairs, and prices in 1985. Many cases of violations of laws and discipline in the economic area have been uncovered. This helped improve party style and social conduct, and enabled cadres and masses to deepen their understanding of the legal system, policy, and the overall situation. On the whole, this work proceeded well despite some localities' tendency to be overly strict or lenient in handling related cases during inspection. It is necessary to carry out general inspection.

The "Circular" says: New and old systems are in a state of flux in the ongoing reform of the economic system. Some old systems have not been abolished, while new systems have yet to be established and perfected. Under these circumstances, some localities, departments, and units have taken advantage of the imperfections in the legal system and have disregarded state financial and economic discipline by evading taxes, falsifying production costs and deficits, raising prices at will, seizing state revenues, and harming consumers' interests. Some people even engage in embezzlement, theft, and fraud; accept bribes, and commit economic crime. These problems have seriously affected state financial revenues; corrupted party style, and corroded cadres. They are detrimental to reforms, hamper construction, and pose a very serious danger. To strictly enforce financial and economic discipline, safeguard the legitimate rights of enterprises and units, strike at economic crime, improve party style and social conduct, and ensure the smooth progress of reform general inspection on taxation, financial affairs, and prices throughout the nation in 1986. All localities, departments, and units should carry out this work in close coordination with the efforts to improve party style and social conduct so as to ensure its success.

The State Council stipulates four points for this general inspection in the "circular."

1. The emphasis of this general inspection of taxation, financial affairs, and prices is on problems that emerged in 1986 as well as in 1985 but have not been resolved or handled.

Individual cases that transpired before 1985, involving larger amounts of money and that were more serious in nature may also be investigated. The inspection will deal mainly with the following cases: 1) Violation of state tax laws by evading or refusing to pay taxes, and overstepping one's authority to grant tax exemptions and reductions; 2) violation of state financial and accounting regulations by trying everything possible to seize and retain profits due to the state, and other revenues, and by falsely reporting deficits in order to acquire state financial subsidies by fraud; 3) violation of state pricing policy by raising prices at will and charging exorbitant fees to obtain illegal incomes; 4) using public funds on feasts and gifts, and unscrupulously giving away bonuses, subsidies, and articles, resulting in waste and extravagance; and 5) embezzelement, theft, fraud, and accepting bribes. In addition, those who delay payment of taxes and profits should also be investigated and persuaded to pay the state treasury.

2. The upcoming general inspection of taxation, financial affairs, and prices will still combine self-examination and spot checks. All enterprises, establishments, administrative units, and industrial and commercial establishments run by individuals should conscientiously conduct self-examination, and correct existing problems of their own accord. Based on the results of self-examination, local governments all all levels and all central departments should organize work groups to inspect those units with more problems. Central authorities' enterprises and establishments in the localities will be inspected by the central departments in charge. Local governments may also send work groups to inspect these enterprises and establishments. Revenues owed to the state treasury uncovered from the investigation may be shared among local financial departments in accordance with stipulations.

3. It is imperative to apply the policy correctly throughout the general inspection, seek truth from facts, and avoid being overly strict or lenient. While supporting the policy of opening to the outside world and invigorating doemestic economy, it is also necessary to investigate earnestly and deal sternly with all cases of violations of laws and discipline so as to ensure a smooth reform and safeguard the appropriate economic interests of all concerned.

4. People's governments of all provinces, autonomous regions, and municipalities as well as central departments should exercise effective leadership by assigning leading cadres at the provincial or ministry level to take charge of the general inspection to ensure its success. Leading groups and offices conducting the genral inspection of taxation, financial affairs, and prices in all localities should be appropriately staffed. Financial, taxation, price, auditing, and banking departments; economic commissions; planning commissions; administration of industry and commerce; as well as judicial and vocational departments at all levels should actively support and take part in the general inspection, closely coordinate with one another, and engage the help and support of local discipline inspection authorities. To facilitate smooth progress for the general inspection, the State Council will continue to assign cadres from central departments to form inspection work groups that will visit all provinces, autonomus regions, and municipalities to help with their the work.

PRICE GOUGING ORDERED TO HALT IMMEDIATELY

OW061630 Beijing XINHUA in English 1526 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- China's State Administration of Commodity Prices is calling for an immediate halt to the price gouging practised in many places.

More than 146,000 cases of price-control rules violations were discovered during the first six months this year, said the administration in a September circular.

"They have directly harmed the interests of consumers, whose complaints have been increasing," reported the administration.

To protect consumers and ensure the smooth development of the current price reform, the national price-control organization has urged all local authorities to crack down on illegal acts during their new price inspections later this year. Usually a violator may face fines or disciplinary action.

The administration has created a detailed program for a complete price inspection and informed all departments. With the emphasis still on retail prices, the inspection will cover all kinds of fees charged by government organizations, schools and hospitals.

Statistics show 70 percent of price violators are retail dealers and private businessmen who sell shoddy goods at high prices. Price gouging is especially difficult to detect in the selling of raw materials like steel, cement and chemicals.

Train tickets, medical care and tution for private classes are other areas where unfair pricing is high. Peasants are also complaining about the low compensation they receive for selling their produce.

REPLACEMENT OF FEC'S POSTPONED UNTIL 1987

HK061136 Hong Kong AFP in English 1126 GMT 6 Oct 86

[Text] Hong Kong, Oct 6 (AFP) -- China is postponing plans to scrap its foreign exchange certificates (FEC's), issued to foreigners and Overseas Chinese visitors, until next year, Beijing's top banker said here Monday.

"I believe the FEC's will not be abolished within this year," as the plan still has to be perfected, said Wang Deyan, president of the Bank of China, the foreign exchange offshoot of the People's Bank of China.

Mr Wang was speaking to reporters at the opening ceremony of Hong Kong's unified stock exchange.

Mr Wang said an "ideal" plan was needed to ensure that the scrapping of the FEC's caused no inconvenience to foreign investors in China, adding that an initial plan had been found to be imperfect.

There had been speculation that Beijing would stop issuing FEC's by October 1 and the currency, which has been in use since 1980, would cease to be valid by the end of November.

The FEC has the same official value as China's reminbi but has traded on the country's black market for up to 70 percent more.

In Beijing, an official with China's Foreign Exchange Bureau had confirmed on September 24 that the phasing out of the FEC had been delayed as it was "a rather complicated measure."

MAJOR PORTS FACING DECLINE IN EXPORT TRADE

OW021240 Beijing XINHUA in English 1221 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- The ports of Dalian, Guangzhou, Qingdao, Tianjin and Shanghai, which used to handle the bulk of China's export goods, have been facing a decline.

"Unless they cooperate with more enterprises in other provinces in various forms," said an official from the Ministry of Foreign Economic Relations and Trade, "they will not get rid of the plight easily."

The goods exported from the Shanghai port in 1980 were worth 4.26 billion U.S. dollars, but last year they were only worth 3.32 billion. And the Tianjin port, the largest aside from Shanghai since the 1930s, faced the same situation -- in 1980, 1.54 billion and 1985, 1.15 billion, the official said.

The official explained that the decline of the ports partly resulted from the emergence of many other ports which are entitled to handle the business, as against the old practise that all the exported goods had to be transported to the "five big ports".

Quite a number of the provinces, lured either by the lower charges or by the shorter distance from the new ports, stopped sending goods to the "five-big ports", sharply reducing the ports' supply sources, the official said.

For example, he said, such exports as petroleum, soybean and coke that the Dalian port handled in previous years were worth 60 percent of its export income. But now, its petroleum and soybean producer, Heilongjiang, and coke-producing Hebei are allowed to handle their own products in a freer way, greatly affecting the Dalian port.

He related the shrinkage also to another factor: Many enterprises in these port cities produced fewer or low-quality goods for export, reducing their competitiveness in the international markets.

Now the "five big" are trying to reinvigorate themselves by conducting more cooperation with the inland enterprises through joint ventures, compensation trade and cooperatives, the official said.

The department of foreign trade in Shanghai has invested 20 million yuan (5.4 million U.S. dollars) in 30 factories in other province which supply quite a large quantity of export goods for the Shanghai port.

The department has also cooperated with Sichuan Province by processing the latter's raw materials to benefit both sides.

Tianjin's Foreign Trade Department invested five million yuan in six provinces and regions, which will in turn provide Tianjin with export goods worth 0.6 billion yuan annually.

TRADE UNIONS TO COOPERATE IN LABOR PROTECTION

OW061306 Beijing XINHUA in English 1257 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- Chinese trade unions are willing to cooperate with the international labor organization to improve labor protection in China, according to a high-ranking Chinese trade union leader.

"Modernization of technology and equipment should go hand in hand with modernization of working conditions. It is urgent for China to accelerate the technical transformation of existing enterprises and gradually improve working conditions," said Lui Gan, vice-president of the All-China Federation of Trade Unions today.

Luo told a joint seminar on occupational safety and health, sponsored by the two organizations, "since China is a developing country, it is quite far behind advanced countries in labor protection, and should learn from their experiences."

"Trade unions have the unshakable responsibility in alerting workers to the importance of occupational safety and health, in supervising enterprises in management and in improving labor protection regulations," Luo said.

He told the seminar that the Chinese Government has already enacted laws concerning labor protection and the All China Federation of Trade Unions has also written directives to trade unions to carry out and supervise labor protection. A national campaign on labor safety was launched by the State Council earlier this year.

Participants of the seminar are recently-appointed trade union supervisors in labor protection from all over China. The seminar will first be held in Beijing, and then in Nanjing between October 6 and 17.

GONGREN RIBAO URGES REFORM OF NEWS REPORTING

HK061513 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0729 GMT 6 Oct 86

[Text] Beijing 6 Oct (ZHONGGUO XINWEN SHE) -- A signed article carried in today's GONGREN RIBAO proposes: The pens and cameras of reporters and editors should not always focus on leading members, but face the masses. Reporters and editors should alter their never-changing formula of conference coverage over the past few decades and explore and create a new way of writing.

Of late, articles on exploring news reform have kept emerging in the mainland press. This article cites an example: A department called a commending conference not long ago at which 22 model workers were awarded prizes. However, in the report on the conference in question was a long list of leading members, and the focus was on the speech of a leading cadre. Who actually were the stars of this conference? Doubtlessly the model workers awarded prizes. But why should reports on conferences make "minor guest stars steal the show"?

The article analyzes: First, one of the explanations is the one-sided understanding of the function of the press as a mouthpiece, and the belief that the party and government organ press is the mouthpiece of party and government organs. Second, social roots explain it. The sponsors of some conferences and activities today always do their best to invite the participation of some leading members (whether such conferences and activities have any necessary relations with the leading members invited). It seems that the greater the number of leading members invited, the higher their official titles, the more important these conferences and activities will become; and people generally regard their names carried in newspapers (including radio and television broadcasts) as a political treatment.

The article suggests that the multidirectional reform requires synchronous reform of news undertakings, and that reform of reports on conferences be one of its themes.

CENTRAL COMMITTEE PROPAGANDIST ON BAN YUE TAN

HK070919 Beijing BAN YUE TAN in Chinese No 18, 25 Sep 86 pp 32-35

[Article by Wang Daming, deputy director of Propaganda Department of CPC Central Committee: "Understand the Pulse of Reform, Make a Success of Propaganda Work -- Speech at the Eighth BAN YUE TAN Correspondents Conference"]

[Text] Correspondents of BAN YUE TAN hold a meeting once a year. In the past, Comrades Deng Liqun, Liao Jingdan, Yu Wen, and Zeng Delin of the Propaganda Department spoke at such meetings. This is not only a meeting on summing up the work of BAN YUE TAN correspondents, but also a good opportunity for comrades of the Propaganda Department to exchange their views. BAN YUE TAN is a magazine run by XINHUA on behalf of the Propaganda Department of the CPC Central Committee. Most BAN YUE TAN correspondents are comrades of the propaganda departments in various localities. We are members of the same family. The Propaganda Department of the CPC Central Comittee should, of course, care for matters concerning BAN YUE TAN.

BAN YUE TAN has achieved effective results in its work over the last few years. It has done a good job and has a circulation of 5 million, ranking first in the country. There are over 3,000 newspapers and magazines in the country, and about 46,000 books are published each year. These newspapers, magazines, and books have provided an extensive choice for the masses. The gradual increase in the circulation of BAN YUE TAN over the past few years indicates that the magazine is suited to the needs of the masses. It also suggests that propaganda departments and BAN YUE TAN correspondents in various localities have made good achievements in their work by means of BAN YUE TAN. They have attained good results in encouraging the masses to subscribe to and read the magazine. The Propaganda Department of the CPC Central Committee congratulates the BAN YUE TAN Editorial Department and BAN YUE TAN correspondents on their achievements.

In the final analysis, the circulation of a newspaper or magazine is determined by its quality. Some people asked about the quality of BAN YUE TAN. Needless to say, the circulation of 5 million answers the question. The circulation of a newspaper or magazine is determined by its quality and contents. If its contents cannot answer the masses' questions, it canot have wide circulation. In an activity held by BEIJING WANBAO last year to select the best magazines, readers selected BAN YUE TAN as the best magazine dealing with current affairs and politics. This shows that the magazine and its correspondents have achieved effective results in their work and that the magazine is well accepted by society and trusted by the mases.

We are in the era of reform. As BAN YUE TAN is a magazine dealing with current affairs and politics, it should be able to feel the pulse of reforms, to link itself with the ideas of the masses, to carry out propaganda work, to answer and explain the masses questions concerning reforms, and to improve their understanding of reforms. In these numerous types of magazines, there are over 600 literary magazines. Comparatively speaking, there are not many magazines dealing with current affairs and politics. some people say that the masses prefer relaxed, life, and recreational magazines to political ones. What they say does not correspond with reality. Work concerning BAN YUE TAN has proved this. What do the masses discuss most? What is their greatest favorite? Is it novels? Movies? No, our literary works, I am afraid, are not yet that attractive. Is it problems concerning livelihood? Neither. Our material life is far from being rich, and service trades have not been well developed. The masses cannot concentrate on this. The masses show their greatest concern for reforms and state affairs, including the economic situation, party style, the general mood of society, price system reform, wage system reform, labor system reform, and treating apartment buildings as commodities. BAN YUE TAN has been well received by the masses because it can feel the pulse of reforms and answer the masses' questions. BAN YUE TAN editors and correspondents should be able to focus their work on reforms and know about the masses' feelings, views, comments, and debates concerning reforms. They should be able to answer the masses' questions. BAN YUE TAN frequently publishes good short articles which can answer the masses' questions. These articles are very much welcomed by the masses. When the masses can understand more about reforms through BAN YUE TAN, it will have more subscribers.

In our propaganda work, we should enable the masses to understand that reforms correspond with their greatest interests, both long-term and immediate ones. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has made every effort to straighten out its ideological line through bringing order out of chaos. The central authorities have taken every reform measure by considering the masses' interests. This has laid a favorable foundation for our propaganda work. In the early 1950's, our propaganda work was full of vitality and propaganda workers worked with perfect assurance. This was because the party's line, principles, and policies were correct and the party worked in the interest of the masses. As a result, propaganda work was good. During the 10 years of turmoil, comrades engaged in propaganda work made painstaking efforts to propagate principles and theories which had been published in newspapers and magazines. In fact, these were distorted principles and theories and ran counter to the masses' interests. Propaganda work was ineffective and the masses had strong resentment against it. Many ideological problems will arise in wage system reform. For example, what is the difference between workers under the contract system and workers under the fixed system? Why is it necessary for state-run enterprises to exercise the labor contract system? Since contract workers are hired by the state, are they no longer masters of the country? All these questions require our detailed explanations, which should be made according to the party's relevant policies by carrying out meticulous ideological and political work among the masses so that they understand the party's policies and the far-reaching significance of labor system reform. Without good propaganda work, the masses would think that this reform runs counter to their interests, which, in fact, it does not. On the whole, labor system reform caters to the needs for the development of the commodity economy and will promote the productive forces. The invigoration of enterprises should be carried out by enlivening the labor system apart from providing financial support for them. The labor contract system is good for enlivening the labor force and for its rational flow as well. Fundamentally speaking, it is beneficial to bringing into better play the initiative and creativity of workers, to increasing the vitality of enterprises, and to promoting the social productive forces. We must explain this plain truth to the masses, make them understand that the reform of the labor system has a bearing on the immediate interests of every staff member, and thus push them to actively support and be engaged in this reform. [paragraph continues]

To cite the commodity price reform as another example: The masses were discontented with the reform as soon as they saw a rise in price of so many commodities. Facts have shown that we have done an excellent job in many aspects regarding the propaganda work on the commodity price reform. We have clearly explained to the masses why commodity prices must float and have clarified the relationship between the commodity prices and the commodity economy. In some places, some commodities have been in more ample supply since the restrictions on commodity prices have been lifted. Having seen this advantage, the masses are now much more willing to accept the fact of changes in commodity prices. In order to make sure that our ideological and political work is readily acceptable to the masses, the most important thing we must do is to clearly explain to the masses, in the light of the actual situation and the immediate interests of the masses, every major policy decision made by the party and the state, every step taken, as well as both the short-term and long-term significance of the principles and policies adopted in every period. Thus, the masses will know what should and what should not be done, and the expected results will be scored.

There is another problem that may draw our attention in the course of reform, namely, reform of the political structure. Our thinkers and theoreticians have shown great enthusiasm toward and spent much time on the discussion of this topic. What is the content of the political structural reform? What should we start with? Where should we make a breakthrough? On what aspects of the reform should we concentrate our attention? And what is the relationship between the politicl structural reform and the economic structural reform? There has been much discussion on these topics. In his speech at an enlarged meeting of the Political Bureau of the CPC Central Committee held in August 1980, Comrade Deng Xiaoping talked especially about the reform of the party and state leading system. Recently, the CPC Central Committee demanded that cadres working with central organs at and above the section chief level study this speech. I suggest that all of you study it first. This is a programmatic document. The aim of the political structural reform is to improve and strengthen the party's leadership, bring the masses' initiative into fuller play, further invigorate enterprises, and further develop the productive forces of society. From this aim we should proceed in the political structural reform regarding the separation between the roles of the party and the government, streamlining of organizations, reform of the personnel system, and so on.

As correspondents of BAN YUE TAN, all of you are bearing the responsibility of publicizing this journal throughout the country. The leading comrades of the Propaganda Department of the CPC Central Committee did say that this was the department's own job. The reason the Propaganda Department of the CPC Central Committe authorized the XINHUA NEWS AGENCY to run this journal was because it felt that there were not enough channels to convey the party's principles and policies to cadres and masses at the grass-roots level and there was a need to open an additional channel. The development in the past 6 years has shown that this is a successful channel. It is through BAN YUE TAN that the guidelines embodied in many important speeches by central leading comrades and some important central documents have been publicized and it is through articles published in BAN YUE TAN that some political issues and policies of common concern have been elaborated and expounded. A few days ago, when quoting articles published in BAN YUE TAN, some foreign news agencies called the journal a "Chinese official journal" and an "influential Chinese official journal." This shows that BAN YUE TAN is regarded as an authentic source.

At present, the cultural standard of the masses at grass-roots units, especially in rural areas, is not high enough and the habit of studying conscientiously on one's own is still not common among them. Gambling as well as feudal and superstitious practices have prevailed in some places as soon as the masses' livelihood began to improve there. [paragraph continues]

This shows that we can hardly carry out our propaganda work in depth without doing some organizational work among the masses at the grass-roots level. The propaganda departments of our party committees at all levels must bring BAN YUE TAN's role into full play at the grass-roots level and carry out some organizational work so that the journal can reach the masses at the grass-roots level. I am sure that you will do a better job.

PLA UNITS DISCUSS LOSSES, GAINS OF SOLDIERS

HK061347 Beijing RENMIN RIBAO in Chinese 3 Oct 86 p 1

[Report by reporter Luo Tongsong (5012 0681 2646): "The Discussion on Loss and Gain of a Soldier Unfolded Throughout the Army"]

[Text] A mass discussion on the "loss and gain" of a soldier has been unfolded consecutively in all PLA units since late September.

The current discussion started with a mine-sweeper unit of the Naval Beihai Fleet. The party committee of this mine-sweeper unit unfolded a discussion on the loss and gain of a soldier during the party rectification in spring this year. They grasped the crux of ideological problems, and the party spirit. On 29 April, Yu Qiuli, director of the PLA General Political Department, listened to a report on the discussion and believed that "the discussion on this question is precisely the building of spiritual civilization and making specific the education in lofty ideals and party spirit." On 22 July, Yu Qiuli proposed a mass discussion on the loss and gain of a soldier be unfolded throughout the army.

When the discussion began in army units, some cadres held different views on whether it was necessary to let everyone speak his mind on the question of "loss and gain." They were afraid lest the discussion run off track, beyond control. Directed at this, the General Political Department affirmed and spread the experiences of some units undergoing experiment, namely, to have faith in the political consciousness of officers and men and to allow everyone to speak his mind and to air different views. That was self-education of a mass nature. The principle of allowing everyone to speak his mind on a voluntary basis without compulsion or pressure was adhered to, without singling out negative examples, and debate between different views was advocated and reservation of different views in a debate was allowed.

Because of an explict purpose and correct method, the overwhelming majority of officers and men lost their misgivings. Some comrades laid bare their hearts. A cadre with a higher education found the army "a narrow world, in which one gradually grows old but is never free to develop one's talent." A soldier said that becoming a soldier incurred economic losses and many restrictions in one's life.

Regarding the truthful thinking poured out in frankness by cadres and soldiers, the party committee and political organs of army units did not regard the stock and barrel as ideological problems, but analyzed them in earnest and dealt with them in different ways. The leadership would solve all practical problems and difficulties of cadres and soldiers in all its solemnity and earnestness. All problems and difficulties beyond the power of the unit for solution would be reported to an upper level or written to local governments for their help for a solution. When no solution could be found for certain problems and difficulties, the leadership would make patient explanations to those who had put forth the problems. [paragraph continues]

Problems belonging to the ideological realm had various reasons, such as low ideological consciousness, failure to tell right from wrong in theory, lack of an overall understanding of things, or social effects. The practice of most army units was to sum up those problems, to work out certain topics, and to submit them to the masses for further discussion.

The party committees of all units gave necessary guidance when having faith that the cadres and soldiers could find correct answers. They guided the masses to master revolutionary theory and to explain minor issues in the light of major theories. Some grass-roots cadres said with deep thought: We rarely sat down and studied over the past few years, and thought that we knew those major theories well enough. But the current discussion has helped us see that the lack of constant study of these basic theories accounts for our many confused concepts.

At present, this mass discussion is developing healthily, and it is estimated that it will come to a conclusion by the end of this year.

NEW COMPUTERIZED TRANSLATION SYSTEM PASSES TESTS

OW061450 Beijing XINHUA in English 1439 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- China's first computerized communications system with search, translation and automatic composition functions passed certification tests here today.

Developed by the Posts and Telecommunications Research Institute, the system is able to translate an average of four English sentences into Chinese per second. It would take about 20 minutes to have the same translated by a human operator.

Its automatic compilation and composition section can print 700 sentences per minute in Chinese English or a mixture of the two languages.

Experts in electronics and linguistics said during the tests that the system is a big step forward in speeding up the pace of information transmission in China and raising productivity in science and technology institutions.

DEMOCRATIC PARTY BOOSTS MEMBERSHIP, ACTIVITIES

HK060357 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0604 GMT 3 Oct 86

[Report by Li Zongbo (2621 1350 0590): "The China Zhi Gong Dang Musters Its Forces Again"]

[Text] Beijing, 3 Oct (ZHONGGUO XINWEN SHE) -- The China Zhi Gong Dang, which had only 1,000-odd members 7 years ago, now has a membership of over 5,000.

Like the other democratic parties on the mainland, the Zhi Gong Dang faced an impasse during the Cultural Revolution.

In recent years, however, it has set up over 60 grass-roots organizations in 16 provinces and municipalities. A few days ago, the Guangdong Shantou City Committee of the Zhi Gong Dang was also set up.

A number of intellectuals from among returned Overseas Chinese and relatives of Chinese nationals living abroad have joined the Zhi Gong Dang. One of the new members is Guandong Vice Governor Huang Qingqu. He is the first democratic party member on the mainland to become vice governor. A number of distinguished personages from various circles, such as singers Ye Peiying, Wu Guosong, and Luo Tianchan, composer Gu Jianfen, dancer Chen Ailian, Lingnan School painter Huang Dufeng, and noted doctors Wu Zhaoguang, Ling Mengda, and Han Ming, have joined the Zhi Gong Dang in recent years.

Over 830 members of the Zhi Gong Dang have been elected members of the CPPCC or deputies to people's congresses at various levels. Twenty-one of them have been elected CPPCC National Committee members and two NPC deputies. Wang Guanyi, the new chairman of the Shantou City Zhi Gong Dang Committee, is also a vice chairman of the city's CPPCC.

The Zhi Gong Dang is most active in Guangdong and Fujian. In Guangdong Province, over 30 of its members are senior intellectuals at or above the associate professor level and in Fujian Province a dozen or so of its members are also senior intellectuals.

By dint of its numerical superiority in competent personnel, the China Zhi Gong Dang renders service to China's modernization program. By running television university tutorial courses in various localities the party has trained over 3,000 specialists. It has also helped some units import capital and competent personnel. The Zhi Gong Dang has invited overseas scholars to give 200 lectures in China. Members of the Zhi Gong Dang in Guangzhou City have helped the local authorities to import an equivalent of 200 million yuan capital.

The rejuvenated Zhi Gong Dang has strengthened its links with the Hongmen organizations [a secret society originally dedicated to the cause of overthrowing the Qing Dynasty and the restoration of the Ming Dynasty] abroad. Its delegations, headed by Chairman Huang Dingchen and Vice Chairmen Xu Zhimeng and Lu Rongshu, have visited the United States, Canada, the Philippines, Hong Kong, and Macao to visit the local Hongmen organizations. In October of this year, the China Zhi Gong Dang will also invite the Hongmen organizations in the United States and Canada to visit China.

CPC SECRETARIAT'S CHEN PIXIAN INSPECTS SHANXI

HK011229 Taiyuan SHANXI RIBAO in Chinese 20 Sep 86 p 1

[Report by Ren Zhenrong (0117 2182), Zhao Guangyu (6392 0342 3022), and Meng Yinfeng (1322 6892 7685): "Comrade Chen Pixian Inspects Shanxi Province"]

[Text] Accompanied by Vice Governor Yan Wuhong, Chen Pixian, secretary of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committeee, inspected Taiyuan, Yanbei, and Datong in Shanixi Province from 10 to 17 September, where he conducted surveys on economic structural reform and the drawing up of an enterprise bankruptcy law. Chen Pixian pointed out emphatically that economic structural reform should be carried out in coordination with political structural reform, and that good results could not be achieved in economic stuructural reform without insituting political structural reform.

Comrade Chen Pixian visited the Taiyuan No 1 Machine Tool Factory, the Xiaodiancun Glass Ball Factory in the southern suburbs of Taiyuan, the Yangjiabaocun Twist Thread Factory in Taiyuan, the Pingsuo Opencut Coal Mine, and the Jinhuagong Coal Mine under the Datong Mining Bureau, and had cordial talks with their responsible persons, trade union cadres, and workers' representatives. He held different types of symposiums with enterprises' responsible persons to solicit their opinions on the formulation of an enterprise bankruptcy law. He also met leading comrades of the province, Taiyuan City, Datong City, and Yanbei City and Prefecture and heard their work reports.

On economic structural reform, Comrade Chen Pixian pointed out that great results have been achieved in rural reform and a good beginning has been made in urban economic structural reform. The situation in Shanxi's economic reform is good but the "provisional regulations on further expanding the autonomy of state-run enterprises" by the State Council have not really been put into effect. In the course of implementing the regulations, it is necessary to exercise the factory director (manager) responsibility system, and the system of fulfilling their targets within their tenure of office, to perfect the contract system of economic responsibility, to bring into full play the initiative and creative spirit of staff and workers, and to increase the vitality of enterprises. Economic reform should be carried out in close coordination with price system reform, wage system reform, and labor system reform. We should not flinch from reforms because there are risks to take, nor should we overlook the arduosness and complexity of reforms.

On how to develop township enterprises, Comrade Chen Pixian pointed out: Party committees and governments at all levels should give guidance to township enterprises during their development, so that they can carry out their undertakings according to rural characteristics and the peasants' technological needs. In the meantime, efforts should be made to prevent carrying out socialized production in township enterprises, as this method only applies to state-run enterprises. It is also necessary to save in the use of land and put an end to the practice of occupying farmland at will. The peasants should be educated in such a way that they consciously observe "land management law." Attention should be paid to using rural area land sparingly for housing construction. It is also advisable to build multi-story rather than single-story houses, so as to save the construction area.

To solicit opinions from cadres and workers on the (draft) "enterprise bankruptcy law," Comrade Chen Pixian not only made extensive contacts with workers in factories, but also held discussions with leaders and workers in enterprises which have always produced good economic results, enterprises whose economic results have changed from good to bad, and enterprises to which "yellow card" warnings have been issued. He spoke highly of the measures taken by the Taiyuan City Motorcycle Repairing and Manufacturing Factory to make up deficits and increase surpluses. Ma Zhenbo, director of the Taiyuan Phosphate Fertilizer plant, briefed Comrade Chen Pixian about the plant adopting the method of "developing new products and reducing consumption" to rejuvenate itself after a suspension in production brought about by a large-scale imports of chemical fertilizers from abroad. Hearing this, Comrade Chen Pixian repeatedly said "well done," highly appreciating the plant's experience. Comrade Chen Pixian pointed out: The experience of the phosphate fertilizer plant suggests that bankruptcy is a warning to enterprises, that a warning exerts pressure on enterprises, and that pressure leads to the formulation of methods, which help improve economic results. He added that the purpose of formulating an enterprise bankruptcy law is to prevent entrerprises from going bankrupt rather than the opposite. He hoped that within the frame of party and state policies, trade union cadres would consider the interests of the workers, speak up and do actual work for them, bring their initiative and creativeness into full play, and run their factories well. All this is beneficial for the state and for the workers as well.

During his inspection tour, Comrade Chen Pixian also met all the comrades attending the 20th Session of the Standing Committee of the 6th Shanxi Provincial People's Congress. When meeting them, he pointed out that work concerning people's congresses should be constantly improved and developed according to the constitution.

PENG ZHEN, OTHERS ATTEND JIANGXI RECEPTION

OW011238 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 30 Sep 86

[Text] The Jiangxi Provincial CPC Committee and the Jiangxi Provincial People's Government held a tea recpetion at the Great Hall of the People in Beijing on 29 September to mark the 50th anniversary of the victory of the Red Army's Long March and in honor of Red Army veterans who are natives of Jiangxi.

Present at the reception were Red Army veterans, comrades attending the 6th Plenary Session of the 12th CPC Central Committee as delegates or observers, and other Jiangxi natives in Beijing.

Party and state leaders Peng Zhen, Yang Shangkun, Yu Qiuli, Yang Dezhi, Chen Pixian, Deng Liqun, Hao Jianxiu, Bo Yibo, Xiao Ke, Huang Zhen, Wang Ping, Kang Keqing, Yang Chengwu, Wang Enmao, and Hong Xuezhii, member of the Standing Committee of the Central Military Commission, attended the reception to meet with the Red Army veterans and other comrades and pose for a photo with them.

On behalf of the Jiangxi Provincial CPC Committee and the Jiangxi provincial people's government, Wan Shaofen, Bai Dongcai, Wu Guanzheng, Xu Qin, Zhag Zhijian, Wang Tie, and other comrades, who are attending the 6th Plenary Session of the 12th CPC Central Committee as delegates or observers, warmly greeted the Red Army veterans and other comrades at the reception.

Chairing and addressing the reception, Wan Shaofen, secretary of the Jiangxi provinical party committee, extended her cordial regards and lofty respects to the Red Army veterans and other comrades.

Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, was the first to speak at the reception. He said: It is indeed an auspicious occasion that heroes of the various routes of the Long March and veteran comrades who used to work in Jiangxi are able to meet here under the same roof. I visited Jiangxi last spring I was glad to see that our old revolutionary bastions ther had undergone great changes. Jiangxi is known for its beautiful mountains and rivers, but it is better known for its good people.

After recalling some historical episodes of the party, Bo Yibo, vice chairman of the Central Advisory Commission, said: The reason why our revolution in the past could succeed was because we were guided by a correct line.

The 3d Plenary Session of the 11th CPC Central Committee had also laid down a correct line to guide us to accomplish the four modernizations. Our cause certainly will succeed. Our veteran comrades have built a path for us; many of them are still alive. More importantly, the burden has shifted to the younger people. We stand a very good chance of victory.

Comrade Kang Keqing, vice chairman of the CPPCC National Committee, and a Jiangxi Red Army veteran, is keenly interested in Jiangxi's economic construction. He said: Everyone present here today should support the revitalization of Jiangxi. I hope you and all will pay some attention to Jiangxi's construction.

Present at the tea reception were over 200 Red Army vetrans and cadres, including He Changgong, Shuai Mengqi, Zeng Zhi, Jiang Yonghui, Hu Kehua, Du Ping, [name indistinct] Yuan Shengping, Wang Huiqiu, Zhang Zhixiu, Xie Zhenhua, and Tan Qilong.

Also present at the reception were Wei Jianxing, head of the Organization Department of the CPC Central Committee, and Qian Liren, director of RENMIN RIBAO, as well as leading comrades of other relevant departments.

RETURN OVERSEAS CHINESE FEDERATION MEETS

OW051105 Beijing XINHUA in English 0852 GMT 5 Oct 86

[Text] Beijing, October 5 (XINHUA) -- The Federation of Returned Overseas Chinese on the mainland will further their ties with Overseas Chinese throughout the world during 1987.

Huang Junjun, secretary general of the All-China Federation of Returned Overseas Chinese, reported on the federation's future plans at the third meeting of the federation's third committee which opened here this morning.

He urged all members of the federation throughout the country to enhance their ties with Overseas Chinese organizations in all parts of the world, promote mutual understanding and exchanges, particularly those between the Chinese people on both sides of the Taiwan Straits.

He also encouraged the federation members to publicize to the Overseas Chinese the policies of the Chinese Government and the developments in their hometowns.

In his report, Huang said that the federations will help the government import technologies, give energetic assistance to those Overseas Chinese who want to invest or conduct economic and technological exchanges with China.

The federation is rebuilding the Overseas Chinese mansion inflow of Overseas Chinese visitors.

During the three-day meeting, the 240 participants who come from 28 provinces, autonomous regions and municipalities, as well Hong Kong and Macao will elect additional members from Hong Kong and Macao compatriots to the committee.

Xi Zhongxun Addresses Meeting

OW050951 Beijing XINHUA Domestic Service in Chinese 1130 GMT 4 Oct 86

[Text] Beijing, 4 Oct (XINHUA) -- Speaking at a meeting today marking the 30th anniversary of the All-China Federation of Returned Overseas Chinese, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, expressed the hope that returned Overseas Chinese organizations will form still closer ties with the broad masses of returned Overseas Chinese, compatriots living abroad, and their relatives at home and carefully heed and fully reflect their opinions and demands on domestic work so that these organizations will function as a genuine "home of Overseas Chinese."

Returned Overseas Chinese organizations, Xi Zhongxun said, should unite on a still wider scale the broad masses of returned Overseas Chinese, compatriots living abroad, and their relatives at home so that these people can contribute to the four modernizations of the motherland. He said: The primary task of returned Overseas Chinese organizations is to help localities and departments concerned to make economic construction of Overseas Chinese hometowns a success. Returned Overseas organizations should make further efforts to implement the policy of making all-round reform, opening to the outside world, and enlivening the domestic economy. They should vigorously support returned Overseas Chinese and relatives of Overseas Chinese in establishing various forms of collective enterprise and doing a good job of production and operation in an effort to achieve substantial development. They should encourage returned Overseas Chinese and relatives of Overseas Chinese to develop private businesses with self-raised funds. In addition, they should assist the departments concerned in taking serious steps to implement the Decision of the CPC Central Committee and the State Council on Reforming the Economic Structure of State-Owned Overseas Chinese Farms and to do well in running these farms by further improving their operations and management and raising their economic results so that the living standards of returned Overseas Chinese and relatives of Overseas Chinese connected with these farms will continue to improve. It is a universally recognized fact that our compatriots living overseas have contributed to the motherland as well as to the countries in which they live. Today, while continuing to contribute to the economic prosperity of the countries in which they live, they show concern for and give support to the four-modernizations program and the great reunification cause of the motherland as earnestly as they used to. We warmly welcome efforts by our compatriots living overseas to conduct economic, scientific, and technological cooperation and exchange with people at home on the basic of equality and mutual benefit. In introducing such cooperation and exchange, returned Overseas Chinese organizations should make full use of their favorable conditions to help the government create a mutually beneficial and relatively fine and reasonable climate for Overseas Chinese to make investments at home. They should go all out to support those enterprises established with Overseas Chinese investment and see to it that these enterprises will thrive and develop. At the same time, returned Overseas Chinese organizations should resolutely safeguard the legitimate rights and interests of Overseas Chinese and should encourage them, and support them, to do something for the benefit of the motherland and their hometowns.

Xi Zhongxun hoped that returned Overseas Chinese organizations will strive to serve the needs of building a socialist spiritual civilization according to the principle of simultaneously, promoting the two civilizations. He said: In accordance with the basic guidelines contained in the Resolution of the Central Committee of the CPC on the Guiding Principle for Building a Socialist Spiritual Civilization, returned Overseas Chinese organizations should proceed from the actual situation and do well in building a spiritual civilization in the hometowns of Overseas Chinese so that the broad masses of returned Overseas Chinese and relatives of Overseas Chinese will become socialist citizens who are imbued with high ideals and are morally sound, well educated, and self-disciplined.

He said: The reunification of the motherland is the common aspiration of our compatriots both at home and abroad. The scientific concept of "one country, two systems" is the correct principle for achieving the peaceful reunification of the motherland. We should unite all forces that can be united at home and abroad to form a broad patriotic united front, and work together with one mind to bring about the reunification of our motherland. Returned Overseas Chinese organizations should use the connections that exist between returned Overseas Chinese and relatives of Overseas Chinese on the one hand and their friends and relatives living abroad and people of all social strata in Taiwan on the other to publicize the "one country, two systems" principle and the profound changes that have taken place in the motherland during the past few years and to help establish the "three relations" [postal, trade, and transport relations] between the two sides of the strait so as to make new contributions toward the fulfillment of the great reunification cause of our motherland.

Xi Zhongxun said: Returned Overseas Chinese and relatives of Overseas Chinese have extensive connections with our compatriots living abroad and those in Hong Kong, Macao, and Taiwan. On the basis of this characteristic, returned Overseas Chinese organizations should on their own initiative make a positive effort to carry out friendship activities abroad while doing well the work at home. They should also make continued efforts to help party and government departments at various levels to do a still better job in implementing the policies on Overseas Chinese affairs and in promoting communications between the party and the government on the one hand and returned Overseas Chinese, relatives of Overseas Chinese, and compatriots living abroad on the other so as to really play their role as bridges and links. In addition, returned Overseas Chinese organizations should step up efforts to improve themselves by continuing to raise the quality of their cadres and paying attention to recruiting new personnel.

Xi Zhongxun stressed: Overseas Chinese affairs work is a long-term important task. Party committees and governments at all levels should attach importance to and strengthen the task of leading and supporting the work of returned Overseas Chinese organizations, and create the necessary working conditions to enable them to play their roles still better. In addition, all departments concerned are requested to take positive steps to work in coordination with returned Overseas Chinese organizations. It is imperative to raise the work of returned Overseas Chinese organizations to a still higher level, and to see to it that a new situation is created in this work.

SONG JIAN ATTENDS ART EXHIBITION OPENING

OW052351 Beijing Domestic Service in Mandarin 1200 GMT 4 Oct 86

[Text] A fine art, photographic, and calligraphic exhibition sponsored by the Ministry of Astronautics Industry opened in Beijing today. Song Jian and other leading comrades attended the opening ceremony.

The exhibition consists of over 200 fine art, photographic, and calligraphic works, which depict certain aspects of the 30-year fighting course that our country has traversed in developing its astronautical work by insisting on the principle of self-reliance and arduous struggle.

PAPER LAUDS 'ORDERLY' NATIONAL DAY CELEBRATIONS

OW070734 Beijing XINHUA in English 0724 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Today's "BEIJING DAILY's" frontpage praised the orderly National Day celebration activities at Tiananmen Square, the heart of the Chinese capital.

Under the banner headline "Beautiful Flowers, Good Hearts," a report quoted the municipal police chief, Gao Ke, as saying "no accidents or thefts occurred at Tiananmen Square where five million people gathered to celebrate National Day."

He added, "Beijing residents came to appreciate the 100,000 pots of flowers that were arranged in the shape of a giant dragon, a phoenix and 52 huge flower beds."

It was estimated that on September 30 from six in the morning until evening more than two million people converged on the square, and in the evening alone more than one million. At times, as may as 600,000 people were strolling on the square, averaging four people per square meter. The following day saw another 1.3 million people flocking to the square.

Many elderly people who had been staying home for years came out to see changes in the city with their children on a new type of tricycle that has appeared in the city over the past two years.

At one point during the celebration a group of people moving around the Tiananmen rostrum were mistaken for the rostrum's opening to the public, causing 100,000 people to rush to the north side of the square, but, according to the police chief, the crowd was dispersed in just ten minutes.

A leading official in charge of the National Day celebration activities said that there was not a single pot of flowers damaged and stolen. Order at the Beijing Workers' Stadium, where 300,000 people gathered to watch a fireworks display on the evening of October 1, was also good, the report says.

CORRECTION TO RESOLUTION ON BUILDING SOCIETY

The following correction pertains to the item headlined "Resolution on Building Society," published in the 29 September China DAILY REPORT, page K 9, paragraph four, line two:

...their ultimate success must be their social benefit. In order to satisfy... (changing world "effect" to "benefit")

JIANGXI CONGRESS STANDING COMMITTEE MEETING ENDS

OW300838 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Sep 86

[Text] After successfully completing its all agenda items, the 19th meeting of the Standing Committee of the 6th Jiangxi Provincial People's Congress closed in Nanchang today. Liang Kaisuan, vice chairman of the Standing Committee, presided over today's meeting. Attending the meeting were Wang Shufeng, chairman of the Standing Committee; and Wang Zemin, Zheng Xiaoxian, Huang Xiandu, Peng Shengxi, and Liu Bin, vice chairmen of the Standing Committee. Qian Jiaming, vice governor of the Jiangxi Province; Wang Shuheng, chief procurator of the Jiangxi Provincial People's Procuratorate; and responsible persons of the Jiangxi Provincial Higher People's Court and departments concerned of the Jiangxi provincial government were present at the meeting as observers.

Today's meeting examined and approved the draft regulations on mining by rural collective mining enterprises and individuals in the province. It also examined and approved a decision to set up a Jiangxi Provincial Election Committee and approved namelist of the committee.

Governor Removed

HK030911 Hong Kong TA KUNG PAO in Chinese 3 Oct 86 p 2

[Text] Jiangxi's provincial governor has been replaced. Former provincial Governor Ni Xiance has been removed from office for serious violations of the law and discipline. Wu Guanzheng has been appointed Jiangxi's acting governor. These two decisions were approved at the 19th meeting of the Standing Committee of the 6th Jiangxi Provincial People's Congress held in Nanchang on the morning of 28 September.

Forty-eight-year-old Wu Guanzheng is from Jiangxi's Yugan County. He is an alternate member of the 12th CPC Central Committee and was appointed deputy secretary of the Jiangxi Provincial CPC Committee in September. He was previously secretary of Hubei's Wuhan City CPC Committee and mayor of the city. He majored in heat measurement and automatic controls and graduated from the Dynamics Department of Qinghua University in 1965. He also studied in the postgraduate school of the Dynamics Department of the same university and graduated in 1968. Then he became a technician, and later the deputy director of the technology section of the Gedian chemical plant in Wuhan City, Hubei Province. After 1975, he became the deputy director of the Wuhan City Science and Technology Committee and concurrently director and secretary of the party committee of the city's engineering science and technology center, and member of the Standing Committee of the Wuhan City CPC Committee. After 1983, he became secretary of the Wuhan City CPC Committee and mayor of the city. In February last year, after the State Council decided to experiment on the comprehensive reform of the economic structure in Wuhan City, he emancipated his mind and made bold explorations. He was praised by the masses as a good mayor who was imbued with the reformative spirit and was bold in opening up a new situation.

Fifty-year-old Ni Xiance was elected mayor at the 3d session of the 6th Jiangxi Provincial People's Congress in June 1985. He has completely disqualified himself for the post of a provincial governor because he has failed to live up to the trust put in him by the deputies to the People's Congress and the people of the whole province and has seriously violated the law and discipline. [paragraph continues]

In view of the seriousness of the mistakes committed by Ni Xiance, the 19th meeting of the Standing Committee of the 6th Jiangxi Provincial People's Congress has decided to remove him from the office of provincial governor, in accordance with the Constitution and the spirit of relevant documents issued by the State Council.

JIANGXI LEADERS TO STUDY CPC PLENUM RESOLUTION

OW060650 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 5 Oct 86

[Excerpts] The Standing Committee of the Jiangxi Provincial CPC Committee held a meeting on 4 October to transmit and study the guidelines of the 6th Plenary Session of the 12th CPC Central Committee. The meeting made serious arrangements on how to thoroughly study and implement the guidelines.

Wan Shaofen, secretary of the provincial party committee, presided over the meeting and transmitted the guidelines of the 6th Plenary Session of the 12th CPC Central Committee.

Members of the CPC Central Committee and Central Advisory Commission in Jiangxi; members of the provincial Advisory Commission, the provincial Discipline Inspection Commission, and the Standing Committee of the provincial People's Congress; and responsible comrades of the Jiangxi provincial people's government, the provincial CPPCC Committee, the related departments of the provincial Military District, the provincial party committee, the provincial People's Government, and the Nanchang City CPC Committee attended the meeting as observers.

The comrades attending the meeting unanimously supported the two resolutions adopted at the 6th Plenary Sesson of the 12th CPC Central Committee. They unanimously held that the Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization is a programmatic document which will guide the healthy development of spiritual civilization in our country. [passage omitted]

Comrade Wan Shaofen made an important speech at the conclusion of the meeting. She said: We must thoroughly study the documents, place prime importance on this study, and seriously understand the basic viewpoints and essence of the resolution.

[Passage omitted]

In accordance with the opinions of members of the Standing Committee of the provincial party committee, Wan Shaofen announced that the third plenary session of the provincial party committee will be held around the end of October to further study and arrange the implementation of the resolution. Wan Shaofen pointed out: We must firmly grasp both the building of spiritual civilization and the building of material civilization. They should coordinate with and promote each other. According to the arrangements made at the enlarged meeting of the Standing Committee of the provincial party committee in September, we should continue to pay attention to building material civilization and fulfill or overfulfill this year's national economic plan. We should greet the convocation of the 13th CPC National Congress with new achievements in socialist construction, reform, and opening to the outside world.

SERIOUS DROUGHT REPORTED IN GUANGDONG PROVINCE

HK011315 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1534 GMT 29 Sep 86

[Text] Guangzhou, 29 Sep (ZHONGGUO TONGXUN SHE) -- Hit by serious autumn drought, Guangdong's farmland area affected so far totals around 3 million mu.

Since mid August, Guangdong's rainfall has decreased sharply compared with the corresponding period in preceding years. Huiyang, Meixian, Saoguan, and other prefectures and cities are suffering particularly from the drought as reservoirs, ponds, and streams there have almost dried up. Over the past 3 days, the area of drought affected farmland has expanded at an average of 20 mu a day.

Since mid August, there has only been 8.3 mm of rainfall in Heping and over 70 percent of the country's area of late rice has been affected. Rainfall in Heyuan decreased by 246 mm compared with the same period in 1985. There is almost no water in the county's 273 small reservoirs. As a result, around half of the county's 280,000 mu of late rice has been affected by the drought. The area of late rice affected by the drought totals over 1.47 million my in Huiyang Prefecture and 500,000 mu in Shaoguan City.

All localities have spared no effort to combat drought. Heping County, a serious drought-stricken area, has sunk 531 wells and build 897 dikes. Shaoguan set up headquarters to combat drought and deployed more than 300,000 people daily to fight drought. Guangzhou also sent 250,000 people daily to combat drought.

GUANGXI'S YULIN PREFECTURE FIGHTS SERIOUS DROUGHT

HK300857 Nanning Guangxi Regional Service in Mandarin 1100 GMT 29 Sep 86

[Text] Yulin Prefecture is being hit by serious autumn drought. Over 500,000 people are now fighting the serious drought and protecting young crops.

The rainfall in Yulin Prefecture since the beginning of autumn this year decreased by about 80 percent over the same period in previous years. As a result, the water stored in reservoirs decreased by some 300 million cubic meters compared with the same period of last year. Some 1.51 million mu of late rice are hit by the drought, accounting for 37.5 percent of the total late rice-growing area.

To fight drought and protect young crops, leaders at all levels in Yulin Prefecture, in accordance with local reality, have adopted various effective measures. For example, Yulin City has appropriated some 35,000 yuan as a special fund for fighting drought, and will draw water from the (Xiaopingshan) Reservoir in (Rongan) to (Funian), (Rendong), and other towns and townships hit by the drought. Pingnan County has reduced its power consumption in daily life to ensure the power supply needed by the rural areas to fight the drought. Yulin Prefecture has so far saved some 377,000 mu of late rice in the antidrought struggle.

HUBEI GOVERNOR ON PEOPLE'S ARMED FORCES DEPARTMENTS

HK290915 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 28 Sep 86

[Text] How can People's Armed Forced departments further do a good job following their transfer from military to civil jurisdiction?

At a provincial meeting of directors and political commissars of People's Armed Forces departments from all countries, cities and districts which concluded on 26 September, Guo Zhenqian, deputy secretary of the provincial party committee and governor, said that local party committees at all levels must seriously strengthen their leadership over People's Armed Forces work and deepen their understanding of the switch of the guiding thought on national defense. As in the past, People's Armed Forces departments at all levels must submit to the leadership of higher military departments in their professional work and open up a new road in doing People's Armed Forces work.

Guo Zhenqian said that local party committees at all levels must actively and enthusiastically help People's Armed Forces departments to adapt themselves to the new situation as quickly as possible, establish and perfect corresponding rules and measures around the central task of national construction, give full play to superiorities of the people's militia, and promote the development of commodity economy in the province's rural areas. On the basis of consolidating the results of party rectification, People's Armed Forces departments at all levels must strengthen the building of People's Armed Forces cadres, correctly handle and coordinate the relationship between the dual leadership of local party committees and military subareas, and bring into full play the functional role of People's Armed Forces departments.

HUBEI'S GUAN GUANGFU ADDRESSES SPORTS GAMES FORUM

HK030455 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Oct 86

[Excerpts] Last night, the organization committee of the seventh provincial sports games held a forum in Huangshi. After listening to reports by the sports delegation leader as well as coaches and athletes, provincial party committee Secretary Guan Guangfu and Governor Guo Zhenqian spoke on building the province into China's top sports province.

Guan Guangfu said: To build the province into China's top sports province is not a routine call. Rather, it is the decision of the provincial party committee and government, and the goal that we are determined to achieve.

On ways of realizing this goal, Guan Guangfu stressed four points: First, by relying on reforms; second, by doing well in training reserve forces; third, by strengthening sports workers sense of honor and responsibility through the adoption of policies; and fourth, by strengthening the leadership and advocating the socialization of sports.

Guan Guangfu said: To convene the provincial sports games at Huangshi is a type of reform as it is a result of selection from among various contending prefectures and cities which offered their best conditions for sponsoring the sports games. To engage in sports undertaking we must advocate competition. Only though keen competition can we improve sports standards as well as sports facilities and services, so that everyone will compete with each other to make progress. [passage omitted]

In conclusion, Guan Guangfu stressed: Sports are an important content of our building socialist spiritual civilization. Party committees at all levels must further strengthen their leadership over sports work. The whole society must attach great importance to sports. [passage omitted]

GUIZHOU IMPROVES 1986 INDUSTRIAL PRODUCTION

HK021247 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 1 Oct 86

[Excerpts] This year, the province achieved a good development trend in industrial production despite difficulties. Between January and August, the province's gross industrial output value totaled 5.36 billion yuan, an increase of 1.7 percent compared to the same period last year. The amount of tax and profits realized totaled 740 million yuan, an increase of 14.3 percent compared to the same period last year.

Since August, the province's industrial production has made great progress. The monthly growth rate was 9.51 percent of slightly above the average national growth rate. In industries run by the province, we have put an end to the trend that this year's output would drop compared to the same period last year. The main reason that we scored these achievements is because:

First, we seriously implemented the policies, introduced the factory managers responsibility system, perfected the economic responsibility system, promoted lateral economic ties, and depended on reforms for promoting production.

Second, the leadership at all levels improved their work style. Going down to realities, they served the grass roots.

Third, beginning May this year when the provincial government held a production management conference, we gradually formed an extensive and intensive management network for the province's industrial production. [passage omitted]

Fourth, economic and other departments at all levels proceeded from the viewpoint of promoting production, and adopted appropriate measures to solve enterprises' problems.

Fifth, we held a large-scale forum on increasing output and upheld the practice of the socialist labor emulation drive.

Sixth, the commercial departments adopted various methods of promoting sales, and actively opened circulation channels between rural and urban areas. They also did well in providing services before, during and after production.

Seventh, we seriously strengthened product quality control in an all-round way, thereby improving the quality and cutting material consumption. We also introduce various award schemes for promoting output.

Eighth, we strengthened ideological and political work, as well as the building of workers contingents. Upholding the practice of simultaneously grasping the two civilizations, we have mobilized the workers' initiative in building socialism.

BEIJING HOLDS MEETING ON GRASS-ROOTS RECTIFICATION

SK020223 Beijing BEIJING RIBAO in Chinese 20 Sep 86 p 1

[Text] "Grass-roots party rectification is a matter of great importance, so we are never allowed to carry out party rectification perfunctorily or to reduce the requirements for the work." This is what Jin Jian, deputy secretary of the municipal party committee, emphatically pointed out at the meeting to exchange experiences in the grass-roots party rectification work sponsored by the municipal party committee on 19 September.

The municipality's grass-roots party rectification work is now in full swing. A total of 210,000 party members are engaged in the grass-roots party rectification work while another 170,000 party members are preparing for carrying out the work. Before this, 400,000 party members throughout the municipality had engaged themselves in the party rectification of leading organs and some grass-roots units.

What are the priorities in the grass-roots party rectification work? In his report, Jin Jian said that the priorities in the grass-roots party rectification work are to solve the problems existing among leading bodies. So, in the course of party rectification, the leading bodies of the grass-roots units should emphatically attend to the following three tasks:

First, they should focus on reform to conscientiously straighten out the ideology for guiding the professional work. Many grass-roots cadres are not mentally prepared for the rapid development of the reform situation. So, they have various kinds of doubts and misunderstandings about reform. If we do not solve these problems, the profound development of reform will certainly be obstructed. While conducting the grass-roots party rectification, we should study the documents of the central authorities in accordance with the actual conditions, and correct the ideology for guiding the professional work so as to make the vast number of grass-roots cadres ideologically catch up with the rapid development of the situation and really stand in the forefront of reform.

Second, they should solve the problems related to cadres' mental state. Some grass-roots cadres are used to handling affairs in line with outdated conventions because they lack the spirit to keep forging ahead. This kind of mental state is not suitable to the current situation of reform. Thus, through party rectification, all leading persons in the grass-rrots units should conscientiously eliminate the problems related to their mental state, and foster a spirit of daring any difficulties, forging ahead, and making progress.

Third, they should correct party style and consciously straighten out unhealthy practices. The main trend of the grass-roots party-member cadres is good. However, a few grass roots are divorced from the masses by abusing their power for selfish ends. The Central Party Rectification Guidance Commission asked the grass-roots party rectification units to pay attention to solving the serious problems concerning party-member cadres abusing their power for selfish ends and violating the law and discipline. While facing these problems, the grass-roots party rectification units should persist in principles, be brave in facing difficulties, and conscientiously investigate and handle these problems.

We should constantly grasp the education on the general purpose of serving the people wholeheartedly in the course of grass-roots party rectification.

Introducing experiences at the meeting were responsible comrades of the general party branch of the third construction site of the third municipal construction company, the party branch of the management section of the fresh fish center under the Chongwen District foodstuffs company, the party committee of the Beijing municipal general hypothermic medical instrument plant, and the party committee of Xicheng District's Yuetan Neighborhood Committee.

NAMELIST OF HEBEI GOVERNMENT PERSONNEL CHANGES

SK270340 Shijiazhuang HEBEI RIBAO in Chinese 12 Sep 86 p 3

[Text] On 30 August 1986, The Hebei provincial people's government decided to appoint and remove the following personnel:

Wang Kuizhi [3769 7608 0037] was appointed deputy commissioner of the Xingtai Prefectural Administrative Office; Zhang Shiying [1728 1102 5391] was appointed deputy commissioner of the Hengshui Prefectural Adminstrative Office; Wang Guoqing [8001 0948 1987] and Tang Yicheng [0781 4135 2052] were appointed vice chairmen of the Hebei Provincial Planning and Economic Commission; Sun Zhizhong [1327 0949 0022] was appointed deputy director of the Economic Structural Reform Office of the Hebei provincial people's government; Wang Youngkuan [3769 3057 1401] was appointed deputy director of the Hebei Provincial Supply Bureau; Fang Zhenhai [2075 2182 3189] was appointed deputy director of the Hebei Provincial Building Materials Industrial Bureau; Zhao Chi [6392 3069] was appointed vice president of the Hebei Provincial Academy of Social Sciences; and Zhou Yongbang [0719 3938 2831] and Liu Chungzhong [2692 4783 1813] were appointed vice presidents of the Hebei Provincial Economic Management Cadres Institute. Lu Yunzhao [7120 0061 6856] currently holds the post of chief engineer of the Hebei Provincial Building Materials Industrial Bureau.

The provincial government also decided to dismiss Ji Huaian [0370 2037 1344] from his post as deputy commissioner of the Xingtai Prefectural Administrative Office; Shi Zenggui [0670 1073 6311] from his post as adviser of the Xingtai Prefectural Administrative Office; Sheng Zhaode [4141 0340 1795] from his post as vice chairman of the Hebei Provincial Planning and Economic Commission; Lin Mingzhang [2651 6900 4545] from his post as chief engineer of the Hebei Provincial Building Materials Industrial Bureau; Zhao Manchang [6329 3341 7022] from his post as deputy director of the Hebei Provincial Building Materials Industrial Bureau; Liu Wenbo [0491 2429 3134] from his post as adviser of the Hebei Provincial Building Materials Industrial Bureau; Liu Zuotian [0491 0155 3944] from his post as vice president of the Hebei Provincial Economic Management Cadre Institute; and Yuan Fang [5371 2455] from his post as adviser of the Hebei Provincial Economic Management Cadre Institute.

HEBEI ADVISORY COMMISSION STANDING COMMITTEE MEETS

SK020930 Shijiazhuang HEBEI RIBAO in Chinese 21 Sep 86 p 1

[Excerpts] The Hebei Provincial Advisory Commission held its fourth Standing Committee meeting in Shijiazhuang City from 15 to 20 September. The meeting relayed the guidelines of a forum of chairmen of the advisory commissions of various provinces, cities, and autonomous regions sponsored by the Central Advisory Commission, and studied how to do a better job in the work of the advisory commssions. Ye Liansong, member of the Standing Committee of the provincial party committee and vice governor, introduced to the participating comrades the province's situation in economic structural reform and economic construction. Xing Chongzhi, secretary of the provincial party committee, Xie Feng, Yue Qifeng, and Lu Chuanzan, deputy secretaries of the provincial party committee, attended the meeting and met with the participants.

Comrades Xing Chongzhi, Yue Qifeng and Lu Chuanzan gave speeches respectively.

In his speech, Comrade Xing Chongzhi pointed out: The provincial Advisory Commission has scored great achievements since its establishment. The veteran comrades of the advisory commissions have actively supported the work of the provincial party committee and remarkably displayed their role as advisers and assistants. Many comrades have conducted intensive investigations and study at the grass-roots level, proposed many constructive suggestions for the provincial party committee, and played an active part in promoting stability and unity, correcting the party style, practicing what they have advocated, and in consolidating and developing the excellent situation. He encouraged the participants to display their superiority of good work skills, wide contacts with the various sectors, and rich experiences, to air their views, and to give suggestions boldly. At the same time, the provincial party committees should fully display the role of the advisory commissions as advisers and ;assistants and create good working conditions for them.

Yang Zejiang, chairman of the provincial Advisory Commission, gave a speech on how to implement the guidelines of the forum sponsored by the Central Advisory Commission. He said: It is necessary to actively support the work of the provincial party committee, to play a good part in serving as political advisers and assistants to the provincial party committee, and not to interfere with and obstruct the party committee's work. [passage omitted]

The meeting also discussed "several suggestions on doing a better job in the work concerning veteran cadres which must be solved immediately," and several suggestions on strengthening the work concerning children and youths," which were offered to the provincial party committee for reference.

Members of the advisory committees in Shijiazhuang City attended the meeting as observers.

XING CHONGZHI ATTENDS HEBEI MID-AUTUMN TEA PARTY

SK020936 Shijiazhuang HEBEI RIBAO in Chinese 19 Sep 86 p 1

[Excerpts] This afternoon, the auditorium of the Taihang Hotel in Shijiazhuang City was filled with songs and laughter. More than 250 Taiwanese compatriots, family members of Taiwanese compatriots, returned Overseas Chinese, family members of Overseas Chinese, and alumni of the Huangpu Military Academy from all circles in the provincial capital gathered happily under the same roof to jointly celebrate the Mid-Autumn Festival.

The tea party was presided over by Wang Shusen, director of the Untied Front Work Department of the provincial party committee and secretary general of the provincial CPPCC Committee. Lu Chuanzan, deputy secretary of the provincial party committee, and Xu Chungxing, vice chairman of the provincial CPPCC Committee, gave speeches respectively. [passage omitted]

Yu Zhenzhong, chairman of the provincial Association of China Democratic National Construction; Lai Junming, president of the provincial Fellowship Association of Taiwanese Compatriots; Tong Yinkang, of the provincial Federation of Returned Overseas Chinese; Li Shibi, vice president of the Shijiazhuang Huangpu Alumni Society; and Lin Ruilian, vice chairman of the Committee for Reunification of Motherland of the provincial CPPCC Committee, also addressed the tea party. [passage omitted]

Colorful literary and art performances were stage at the tea party.

Today's tea party was co-sponsored by the United Front Work Department of the provincial party committee, and the Committee for Reunification of Motherland of the provincial CPPCC Committee, as well as other units.

Attending the tea party were leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and the Shijiazhuang prefectural and city party and government organs, including Xing Chongzhi, Xie Feng, Yue Qifeng, Lu Chuanzan, Sun Guozhi, Yin Zhe, Ye Liansong, Qu Weizhen, Li Haifeng, Wang Yu, Xu Chunxing, Zhang Ruolin, Bai Tieshi, Chen Lintang, Ma Xinyun, Li Guohua, Fu Liang, and Yang Mingyuan, and former vice chairmen of the provincial CPPCC Committee, including Luo Chengde, Yin Yigang, and Yan Jingbo. Peng Tengyun, vice president of the All-China Federation of Taiwan Compatriots, was also invited to the tea party.

TIANJIN HOLDS IDEOLOGICAL POLITICAL MEETING

SK030650 Tianjin TIANJIN RIBAO in Chinese 21 Sep 86 p 1

[Text] Implementing the guidelines of the important speeches given by the central leading comrades when they inspected Tianjin, further strengthening ideological and political work at the grass-roots levels, striving to develop the socialist commodity economy, strengthening the building of the two civilizations, and guaranteeing smooth progress in economic construction and in reforms in all fields were the demands set on the ideological and political work departments by Zhang Dinghua, member of the Standing Committee of the municipal party committee and director of the Propaganda Department, at a meeting to exchange experiences in strengthening grass-roots ideological and political work held by the Propaganda Department yesterday.

At the meeting, the industrial and communications department and the commercial and industrial department of the municipal party committee, the Hedong District party committee, the party committee of the municipal Public Security Bureau, the party committee of the Dagang Petroleum Adminsitrative Bureau, the party committee of the Tianjin municipal bicycle plant, and the party branch of the No 8 bus fleet introduced their experiences in making their leading organs gear their work to the needs of the grass-roots, serving them, and strengthening ideological and political work among grass-roots units.

Zhang Dinghua gave a speech on how to strengthen grass-roots ideological and political work. He pointed out: At present, our party is guiding the people across the country to carry out economic and political structural reforms that have attracted worldwide attention. These reforms urgently require our efforts to guide the masses to clearly understand the situation through strengthening ideological and policitcal work at the grass-roots levels, to have a good knowledge of policies, to update our concepts, and to participate in the reform. While actively developing the socialist commodity economy, we should make the party's ideological and political work cater to the demands of the new situation and should foster new ideas. It is necessary to firmly foster the ideas of construction, service, science, democracy, and opening to the outside world. We should continue to study and probe into new problems in ideological and political work and attain the goal of not only persisting in reform, opening to the outside world and vitalizing the economy, but also in improving the mental attitude of the broad masses of cadres.

He said: In strengthening grass-roots ideological and political work, we must actively strengthen the building of grass-roots units, have a good foundation for dealing with concrete matters, and strengthen organs responsibile for carrying out ideological and political work at the grass-roots level. We should install competent personnel in the leading bodies of the grass-roots party and government organs, attend to the building of grass-roots party organizations, trade unions, CYL organizations, work teams and groups, intensify grass-roots training, improve the quality of contingents, establish and improve various necessary systems, do a good job in managing the livelihood of staffs and workers, and strive to provide a good working, study, and living environment for them.

He stressed: While strengthening ideological and political work at the grass-roots level, leading organs must correct their thinking, improve thir work style and go deeply to the reality to serve the grass-roots units. It is necessary to firmly foster the ideology that leadership is service, realistically focus the emphasis of work on the grass roots, improve our work style, do solid work in an effort to strengthen ideological and political work, focus our attention on solving difficult problems in grass-roots ideological and political work, and strengthen research in this subject. Leading cadres at all levels should take the lead in setting examples and strive to make the grass-roots ideological and political work more convincing and effective. Leading organs at all levels should realistically shoulder the task of serving the grass-roots level, carry out all work in favor of the grass-roots level, and unceasingly improve the ideological and political work and other work levels of the grass-roots units through information feedback. At present, we should prominently grasp propaganda and education on the excellent situation. Departments that produce spiritual products and the borad masses of writers, artists and social workers should properly handle the relationship between ecomonic results and social benefits and provide more high quality spiritual products for the masses of people.

HEILONGJIANG'S SUN WEIBEN ON ELIMINATING OLD IDEAS

SK270344 Harbin HEILONGJIANG RIBAO in Chinese 13 Sep 86 p 1

[Text] After a 3-month period, a mass discussion column inaugurated by HEILONGJIANG NONGCUN BAO on the tasks of combating poverty and getting wealthy concluded recently. Sun Weiben, secretary of the provincial party committee, wrote a summing-up article entitled "Eliminate the Concept of the Natural Economy To Develop the Commodity Economy" with regard to the results of the discussion.

The article gives an affirmative appraisal to the results of the discussion and holds: "The topic and content of the discussion are in conformity with the current situation in the drive to conduct reforms in the rural areas throughout the province and with the ideaological reality of peasants. Having a discussion column to enable the peasants to explain the tasks of combating poverty and getting wealthy by using their own experience, lesson, and opinions as an example has much persuasive power. Letting the peasants voice their opinions in newspapers represents the self-education style of the masses, which deserves to be encouraged."

The mass discussion column inaugurated by HEILONGJIANG NONGCUN BAO started on 14 May this year due to stimulation provided by a letter from a reported entitled "Why Are They Unable To Become Wealthy?" In his letter, the reporter stated: Since the enforcement of the all-round contract system over the past few years, a number of peasants in Xichuan Village of binxi Town in Bin Conty have become wealthy. However, a considerable number of peasants have still been unable to shake off poverty and to taker a step along the road of becoming wealthy. The reason why the peasants have been unable to do it is that they have been bound by the trammels of tradition and old ideas. The letter from the reporter evoked a strong reaction among the readers. Thus, readers inside and outside the province have carried out a discussion on the issue of how to combat poverty and get wealthy by successively sending their letters to the editor to express their opinions.

By focusing on the tasks of smashing the closed, self-supporting, and semi-self-supporting concept of small farmers and fostering the new idea of developing commodity production, the discussion column has intorduced their experiences gained in combating poverty and getting wealthy and problems cropping up in their work, and has dealth with he issues of eliminating traditional ideas, upgrading the peasants' quality, and solving problems cropping up in production funds, message transmission, agricultural science and technology, natural resource development, and cadres' service. Many peasants stated in their letters that they have broadedned their outlok and enriched their experiences through participating in discussion in the column.

JILIN'S GAO DI DISCUSSED REFORMERS' SPIRIT

SK011132 Shenyang DONGBEI JINGJI BAO in Chinese No 60, 1 Jul 86 p 1

[Text] "The mental state of reformers is very imprtant. All reformers should be resolute, modest, prudent, indomitable, and go forward bravely. Practice is not only the sole criterion in testing the drive to conduct reforms, but also has proved that all measures adopted in the drive should be upheld forever. When encountering faults, we should not only refrain from being scared and giving up halfway, but should heighten our spirits and assume our responsibility in conducting reforms to continuously improve our business and to steadily conduct self-improvement". This is the main content of Comrade Gao Di's speech made during his investigation and study tour in Jilin City.

In referring to the arduousness and complexity of the drive to conduct reforms, Comrade Gao Di stated: The drive to conduct reforms represents the second revolution in the country and is not an easy matter. The current work of conducting reforms in economic systems is unprecedented and cannot be well understood by all people. It is a matter of course for us to encounter obstructions at every level and from various circles. However, all reformers should be resolute and firmly convinced that they are doing things in line with the party's line, that their direction is correct, and that they will be successful in the end. They should uphold the spirit of "not caring about the gain or loss of their post as long as they uphold their principle of truly being in conformity with the party's policy." We should not be scared of some persons' reproach or blame for faults cropping up in conducting reforms.

In his speech Comrade Gao Di stated: The steadfastness of reforms usually comes from their belief in the correctness of their cause. Principles deemed correct are those favorable to the interests of the state, the collectives, and individuals and to the development of production. Attention should be paid to dealing with the malpractices and unfair phenomenon in which the cases of some businessmen or producers who have suffered losses year after year and made no contributions to the state in production have not been well investigated, criticized, or dealt with. However, some have been repeatedly investigated without end when they have committed a fault in conducting reforms, even a slight one. Under such a circumstances, are we not encouraging those who have done nothing in business and not made contributions to the interest of the state, the collectives, and individuals? In facing unfair treatement, reformers should not be discouraged and must believe in the party and the vast number of people who support the reformers and believe that the drive to conduct reforms is protected by law.

In referring to reformers being prone to encountering criticism, Comrade Gao Di stated: Criticism itself is good. Criticism raised by the masses has proved that they are concerned about the reforms. Reformers should learn from various opinions among the various criticisms and chose and follow what is good. They should also listen to incorrect opinions that, at least, can enable the reformers to be more prudent and to focus their ideological work on problems in order go reduce the number of faults and bring more results in conducting reforms.

The firm belief held by the reformers in the correct orientation of conducting reforms does not mean that they are "perfect." Comrade Gao Di continued: All reformers should not think that they are correct in all fields. The drive to conduct reforms is a new thing that is impossible to be perfect at the beginning. Therefore, reformers should be brave and modest, be active and prudent, and continuously improve the drive to conduct reforms and conduct self-improvement as well. The reason for instability in politics often comes from the phenomenon of not understanding theory thoroughly. Reformers should enhance their study of Marxism; be good at integrating the spirit of the CPC Central Committee with the actual situation in the localities, departments, and units; and implement the party's policies in line with the practical situation.

In referring to the issue of how to maintain the best mental state of reformers, Comrade Gao Di stated: The drive to conduct reforms has no end because everything is undergoing development. Thus, contradictions will exist forever. At the beginning of the drive, reformers were often tested by various obstructions. They often encountered the problems of ability falling short of their wishes and things going contrary to their wishes, and were unable to avoid faults. After understanding well, we will certainly be free in plunging into reforms. We will fear nothing so long as we do our work for the country and the people and refrain from seeking personal gain by taking advantage of power.

We should not be afraid of losing our job in actively finding out some malpractices to be correct as long as we are determined to engage in the drive to conduct reforms and to do something important. However, we should also believe that good will be rewarded with good and evil with evil, and that the party and the people will not treat the reformers shabbily.

LIAONING CIRCULAR FOREIGN AFFAIRS DISCIPLINE

SK060439 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 5 Oct 86

[Text] In light of the case in which some party-member cadres, including (Qi Shourang), Standing Committee member of the Fushun City party committee and vice mayor of the city, have brought about serious damage to the party and the state by seriously violating foreign affairs discipline during their inspection tours abroad, the provincial party committee recently issued a circular which calls on localities and departments to conscientiously consolidate foreign affairs discipline.

At the provincial network time on 29 September, the station broadcast the news of eight party-member cadres, including (Qi Shourang), Standing Committee member of the Fushun City party committee and vice mayor of the city, violating foreign affairs discipline and embezzling foreign exchange.

The circular of the provincial party committee pointed out: Such a case, seriously in violation of foreign affairs discipline, was seldom seen before because it involved so many leading cadres and caused bad influence.

The circular called on party organizations at all levels to take this case as a negative lesson for conducting education on foreign affairs discipline, and urged the vast number of party-member leaders, leading cadres, in particular, to fully understand the significance of the work of strengthening party, government, and legal discipline under the new historical period, to be honest in performing their official duties, and to firmly abide by party discipline and state law.

The circular called on localities and departments to conscientiously consolidate foreign affairs discipline, to consciously investigate and sum up the situation of personnel going through the procedures for and applying for trips abroad by retaining their posts since the beginning of this year, to correct unhealthy tendencies in this regard, and to solve existing problems. The circular called on the relevant departments to strictly enforce the regulations in making examinations and approvals, and to resolutely put an end to the tendencies of blindly sending cadres to foreign countries, and wasting human and financial resources by making repeated investigation trips. The personnel in charge of the examination and approval work should be called to account if any bad consequences are caused due to their lax checks.

The circular also stressed: We should strictly investigate and handle the major and appalling cases which seriously violate foreign affairs discipline, resolutely abolish regulations that allow the people to gain profit at others' expense, and strictly punish the leading cadres who take the lead in violating discipline.

FBIS

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Welcomes U.S.-USSR Pre-Summit

OW081128 Beijing XINHUA in English 1113 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) — A Foreign Ministry spokesman said today China welcomes this weekend's meeting between leaders of the United States and the Soviet Union in Iceland.

"We hope they will negotiate in good faith and reach an agreement that will involve drastic arms reductions without compromising the interests of any other countries," Ma Yuzhen, director of the ministry's Information Department, told reporters in response to a question at a weekly news briefing.

Asked about China's position on Soviet deployment in Asia of medium-range SS-20 missiles which reporters said are pointed at China, Ma said that "as an Asian country, China cannot but feel concerned about the threat to this region's security" posed by the deployment.

"Attention should be paid to security in Asia as well as in Europe," he said. "The missiles deployed by the United States and the Soviet Union in Asia should be reduced simultaneously and in balance or be destroyed."

According to Ma, economic relations between China and the Soviet Union have "registered a relatively large increase" but he said "there has been no substantial progress in the political relations between the two countries."

On Sino-Vietnamese relations, he said, the "chief obstacle continues to be Vietnam's aggression" against Kampuchea.

"So long as Vietnam continues its aggression against Kampuchea and refuses to withdraw its troops, there is nothing to talk about between China and Vietnam," he said.

Italy, Iceland Premiers To Visit

OW081103 Beijing XINHUA in English 1054 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) — Prime Minister Bettino Craxi of the Republic of Italy and Prime Minister Steingrimur Hermannsson of the Republic of Iceland will pay an official visit to China respectively from October 30 to November 3 and from October 21 to 30 this year at the invitation of Premier Zhao Ziyang.

A Foreign Ministry spokesman made this announcement at a weekly news briefing here this afternoon.

The spokesman also disclosed that the First Deputy Chairman Andrey Lukanov of the Council of Ministers of the People's Republic of Bulgaria will pay an official visit to China in mid-October as guest of Vice-Premier Li Peng.

On 3d Round of Macao Talks

OW081118 Beijing XINHUA in English 1103 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- The Government of the People's Republic of China and the Government of the Republic of Portugal have agreed that the third round of talks on the settlement of the Macao question will be held in Beijing on October 21 and 22 this year.

A Foreign Ministry spokesman disclosed this while releasing a relevant press communique at the weekly news briefing here this afternoon.

On U.S. Warships' Visit

HK081301 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1221 GMT 8 Oct 86

[Text] Beijing, 8 Oct (ZHONGGUO XINWEN SHE) -- Foreign Ministry spokesman Ma Yuzhen said here today that Weinberger might take up again the issue of U.S. warships' visiting China with the Chinese authorities during his stay in China.

U.S. Defense Secretary Weinberger arrived in Beijing yesterday.

U.S. warships have not visited China so far although the plan has been repeatedly talked of for a while. The issue has aroused extensive concern among the press circles here.

For the moment I have nothing else to say about the plan of U.S. warships visiting China, said Ma Yuzhen.

HSIN WAN PAO ON BEIJING TALKS, ICELAND SUMMIT

HK071241 Hong Kong HSIN WAN PAO in Chinese 7 Oct 86 p 1

["News Talk" column: "Look First at Beijing and Then Iceland"]

[Text] U.S. Secretary of Defense Weinberger today flew from Hong Kong to Beijing to hold talks with Chinese leaders.

Many people now tend to link the ongoing Sino-Soviet talks in Beijing with the coming U.S.-Soviet summit, which will be held in Iceland in a few days.

High-level Sino-Soviet and Sino-U.S. talks are first held in Beijing and are followed by the U.S.-Soviet summit in Iceland. This shows that China's influence directly reaches the capitals of the United States and Soviet Union and even reaches Iceland, although the U.S.-Soviet summit will not include China.

This newspaper's dispatch from Beijing this morning said: "Before the leaders of the United States and the Soviet Union meet in Iceland, the United States is once again sending a senior official to visit Beijing. The timing of this visit may not be purely coincidental."

There is a precedent. In November 1985, before Reagan and Gorbachev held their first meeting in Geneva, U.S. Vice President Bush also visited China for a few days.

This year, things are a bit different from last year. The Soviet Union sends its special envoy Rogachev and the United States sends its secretary of defense to visit China successively. In the crisp autumn climate Beijing is bustling with activity.

Maybe, some people ask: Although the arrangement of Weinberger's visit is ot a coincidence, the schedule for the Sino-Soviet talks was made a few months ago, and Rogachev, the Soviet special envoy, came to China according to the schedule which is also not related to the summit in Iceland.

However, if we think carefully, we may find that the coming summit will be held according to Gorbachev's proposal which was accepted by Reagan, and when the Soviets proposed the meeting time, they naturally also considered other factors.

This round of current talks is the ninth between China and the Soviet Union. It has lasted 2 days and will conclude tonight. Rogachev said at the Beijing airport that he was ready to talk about any issues. Analysts generally hold that the Soviet Union will, for the first time agree to discuss the Cambodian issue, as Gorbachev has promised to begin withdrawing forces from Mongolia and Afghanistan. This may indicate that Sino-Soviet relations will make more marked progress than the previous talks and the two countries may even arrange the exchange of visits by their leaders and arrange a meeting of their leaders. So we will pay close attention to the communique of the talks.

Weinberger this morning met with the Hong Kong governor, then he left Hong Kong in the afternoon and will arrive in Beijing in the evening, precisely after the conclusion of the Sino-Soviet talks. Tomorrow, the Sino-U.S. talks will begin. All these successive performances are indeed interesting.

In the Sino-U.S. talks, the two sides may discuss the U.S. transfer of technology to China, especially the possibility of relaxing controls over these transfers, and may discuss the American warships' vist to Qingdao. Today, this newspaper's special dispatch from Beijing mentioned that Weinberger's visit will conclude two special things. One is that he will visit China's satellite launching ground, and the other is that he will meet China's number one man, Deng Xiaoping, apart from meeting China's military officials. If there is really such a meeting, it is certain that they will not merely discuss Sino-U.S. relations; instead, all major affairs in the world may be included in the subjects of their talks, and this may influence the summit in Iceland.

The world's attention in these 2 days is focused first on Beijing and then shifts to Iceland. This shows that China is playing an increasingly important role in the world.

SECRETARY OF DEFENSE WEINBERGER CONTINUES VISIT

Zhang Aiping Fetes

OW071344 Beijing Domestic Service in Mandarin 1200 GMT 7 Oct 86

[Text] Yang Shangkun, vice chairman of the Central Military Commission, and Yang Dezhi, deputy chief of the PLA General Staff, met with U.S. Defense Secretary Weinberger and his party at the Great Hall of the People this evening. Weinberger arrived in Beijing late this afternoon to pay an official visit to China at the invitation of Chinese Defense Minister Zhang Aiping.

State Councillor and concurrently Defense Minister Zhang Aiping and his wife had dinner together with Weinberger and his wife at Zhaolong Hotel.

Meets Yang Shangkun, Yang Dezhi

OW071613 Beijing XINHUA in English 1551 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- U.S. Secretary of Defense Caspar Weinberger met Vice-Chairman of the Central Military Commission Yang Shangkun and Chief of the General Staff of the Chinese People's Liberation Army Yang Dezhi at the Great Hall of the People this evening.

The meeting took place shortly after Weinberger and Mrs. Weinberger flew into Beijing for a four-day official visit to China.

"It is a good thing for the top military leaders of the two countries to increase contacts with each other," Yang Shangkun told the American guests.

He hoped that both sides would have candid talks on issues of common interest and make the visit a successful one.

Weinberger said he was very pleased to visit China again. He held that the contacts between the Armed Forces of the two countries have had a good beginning and hoped that such contacts would continue to grow.

Xu Xin, deputy chief of the general staff of the Chinese People's Liberation Army, was present on the occasion.

Hong Xuezhi, director of the General Logistics Department of the Chinese People's Liberation Army, also met with Weinberger before leaving here for a visit to the United States tonight.

Weinberger is here as a guest of Chinese Minister of National Defense Zhang Aiping. He first visited China in 1983.

Zhang Aiping and his wife gave a dinner for Weinberger, his wife and their party at the Zhaolong Hotel here this evening.

SOVIETS DESCRIBE TALKS WITH PRC 'QUITE FRIENDLY'

HK080828 Hong Kong AFP in English 0748 GMT 8 Oct 86

[Text] Beijing, Oct 8 (AFP) -- The ninth round of talks between Chinese and Soviet negotiators on normalization of relations between the two communist giants have been held here in a "quite friendly" atmosphere, a Soviet Embassy spokesman said Wednesday.

The spokesman said the Chinese and Soviet delegations to the talks which opened Monday had held lengthy meetings both Monday and Tuesday and that Wednesday would be "a resting day."

The Soviet delegation is headed by Deputy Foreign Minister Igor Rogachev, a China expert, while China is represented by Deputy Foreign Minister Qian Qichen.

According to East European sources, the day off would allow the Soviet delegation to inform the Kremlin of the results of the talks and receive instructions on eventual compromises or initiatives.

The negotiators are expected to hold two more sessions before the end of the week, when the Soviets are scheduled to make a brief visit to southern China to visit a special economic zone, the Soviet Embassy spokesman said.

Four of these zones have been created in a bid to attract foreign investors and Western capital and technology.

The talks on normalization -- which began in 1982 -- have brought progressive improvment in relations, but no spectacular results.

This round of talks opened with a statement by Mr. Rogachev that he was ready to discuss the situation in Cambodia and Afghanistan.

China accused the Soviet Union in late 1985 and early 1986 of avoiding discussion of its support for the Vietnamese occupation of Cambodia and the intervention of the Soviet military in Afghanistan, both viewed as obstacles to normalization of Sino-Soviet relations.

The concentration of Soviet troops on China's northern border is considered to be another obstacle to stepped-up ties by Beijing.

Soviet leader Mikhail Gorbachev unveiled plans for a partial withdrawal of Soviet troops from Afghanistan and Mongolia in a speech on July 28 in Vladivostok.

SOVIET FIRST DEPUTY PREMIER ARKHIPOV RETIRES

OW051500 Beijing XINHUA in English 1447 GMT 5 Oct 86

[Text] Moscow, October 5 (XINHUA) -- Ivan Arkhipov, the Soviet Union's first deputy prime minister, has been retired "for health reasons", the official news agency TASS reported today.

TASS quoted a decree of the Presidium of the Supreme Soviet, the country's highest state body, as saying that Arkhipov had been relieved of his duties.

Arkhipov, 79, had been one of the four first deputy prime ministers of the Soviet Union since 1980.

He was in China for treatment between July 26 and August 26.

TASS did not give details of Arkhipov's health problems.

Arkhipov has visited China several times in recent years and had worked to improve relations between the two countries.

Arkhipov was a deputy prime minister from 1974 until 1980, before being elevated to the position of first deputy prime minister.

JOURNAL ON REASON FOR DENG ATTITUDE TOWARD USSR

HK031433 Hong Kong CHENG MING in Chinese No 108, 1 Oct 86 pp 13-15

[Article by Mu Fu (3668 1133): "Deng Xiaoping's Major Concessions"]

[Excerpts] In an interview by CBS reporter Wallace on 2 September, CPC strong man Deng Xiaoping answered many major questions concerning China's domestic and foreign policies. This interview can, probably, only be compared with the interview by Italian female journalist Falucci in 1980. The most attractive point in the interview was Deng Xiaoping's willingness to meet Gorbachev. [passage omitted]

Deng Xiaoping's attitude has aroused widespread comment and drawn much attention abroad, for Sino-Soviet relations not only concerns China's trend of development, but are also an important link in world strategy.

What does this situation imply? Does the CPC intend to readjust is policy toward the Soviet Union? We should make an analysis of these questions from various aspects. [passage omitted]

Deng's Concession to the Pro-Soviet Force in the Party [subhead]

Deng Xiaoping made a major concession to the pro-Soviet bloc in the party. An analysis of this point is necessary. I was astonished at the remark he made in Wallace's pressence tht he was willing to go anywhere in the Soviet Union to meet Gorbachev, as this was not in accord with Deng's consistent hardline attitude toward the Soviet Union. Was it that Gorbachev's magnanimous attitude had moved Deng? I am of the opinion that we should find an explanation from the recent trend in the CPC.

The mouthpiece and overseas representatives of the CPC have stressed that there is no such thing as the division into reformists and conservatives in China. But in fact, contention between the two blocs has manifested itself in various aspects. In addition, Chinese and world history have proved that it is not likely that conservative forces would not object to and hamper a profound reform. There can be no absolutely normal progress when two blocs contend with each other, and there is no need to deny this.

We do not have to explain this in a complicated way, it is enough to take the following two points in Deng's answer to Wallace to prove that there are "objections" everywhere: One is his assertion that "whoever alters the current policies will be overthrown," and the other is his repeated demand for retirement, which seems impossible even after the 13th CPC National Congress next year.

These two points have inadvertently revealed the tense situation in the CPC, which is highly unpredictable to people outside the party. If reforms had been going smoothly, would there have been a need for talk about "overthrowing someone? It should be pointed out that Deng had never before used the word "overthrow" since his reassumption of office. If the group of successors formed painstakingly by Deng were stable and competent, would there be a need to allow an 82-year-old man to assume heavy responsibility?

This is the same as admitting that there are conservative or opposition forces in the CPC and that differences of opinion are very serious! A logical conclusion is that doubts about the correctness of some people's inclination toward the Western line have resulted in the differences of opinion. Wallace asked Deng Xiaoping: "Why is it that China's relations with the capitalist America are better than with the CPSU?" How can one imagine that this tendency would not be found among the conservatives? In fact, China's internal affairs have been closely related to its diplomacy over the last 30 odd years. Deng Xiaoping's answer to Wallace's question was: "China does not view problems from the angle of a social system." I believe that the conservatives did not find this answer satisfactory.

Some recent indications merit study and attention:

— Mutual official visits keep increasing. Soviet First Deputy Chairman Arkhipov, an "old friend" of China, met Wan Li, Yao Yilin, and Li Peng during his convalescence in China. First Deputy Chairman Talyzin, Gorbachev's trusted follower, visited China in September and discussed "various problems" with the Chinese side. Beijing Mayor Chen Xitong visited Moscow and other Soviet cities.

— There was a border clash between the two countries in July, which inflicted casualties on the Chinese side. But both sides downplayed this clash.

— The Soviet Union will send some 100 specialists to China to assist in the reconstruction of 17 factories that the Soviet Union helped China build in the 1950's.

— The planning commissions of the two countries will sign an agreement on cooperation.

— The position of Li Peng, a symbol of students studying in the Soviet Union, still remains stable, and many of the students who studied in the Soviet Union in the 1950's have now assumed important posts in various departments.

— Wan Li spoke for the rehabilitation of Liu Binyan's article "The Second Type of Loyalty" (I once pointed out that this article has a pro-Soviet flavor).

It is unimaginable that all the above trends of development have been due to Deng's encouragement. Take the cooperation between the planning commissions of the two countries as an example. It makes people recall what Chen Yun said when he met Arkhipov a year ago: "Both of us are engaged in economic planning." Of course, it is impossible to judge how much Chen Yun, Peng Zhen, Bo Yibo, Li Xiannian, Yao Yilin, and Yu Qiuli, who are regarded as having different opinions on Deng's line, incline toward the Soviet Union, as this is a top secret of the CPC. But that they can restrict and contend with Deng's power is beyond doubt. The conservative ideas of the Chen bloc are widely known by people, and, undoubtedly, these ideas are close to the present line of the Soviet Union. Therefore, it is not very difficult to understand that the Chen Yun bloc plays the role of the pro-Soviet bloc in China.

Objective conditions have helped encourage this bloc. Since his assumption of office, Gorbachev has shown a certain overtness with regard to domestic and foreign affairs and reduced those Soviet traditions which are disliked by people. As Western diplomats in Beijing have commented, however, Deng's radical policies are suffering a serious setback. A recent example is that the "Enterprise Bankruptcy Law," which is aimed at overcoming bureaucratism, was turned down by the NPC. This is Deng's first "political loss" in the past 8 years. Although there are some experiments, such as setting up "joint-stock companies" in the course of economic reform, people are under the impression that this reform is at a standstill. How to transform the 24 million cadres throughout the country and to stop inflation and economic crime remains a headache for the authorities. Last year, economic excessiveness landed the Deng bloc in a passive position of economic readjustment. Whereas the influence of the Chen Yun bloc increased.

Therefore, Deng said that he was willing to meet Gorbachev "anywhere" in the Soviet Union instead of asking Hu Yaobang to go. This not only suggests his arbitrary style, but also gives expression to the fact that he endures huge pressure from the pro-Soviet force in the party. His concession can help alleviate contradictions and preserve his irreplaceable authority. It will also help make his current diplomatic strategy last longer.

In intellectual circles, with the help of his cultural aides, Deng is launching a movement for the free airing of views, on condition that people can speak but not act, and is giving wide publicity to political structural reform so as to maintain the momentum of reforms after his economic setback. At an appropriate time he said that political structural reform should be carried out carefully. Thus the possibility of discussing political structural reform at the sixth plenary session focused its discussion on "spiritual civilization." This shows that Deng and Hu will hold the power of the CPC. In short, they have tried hard to prevent the conservatives from availing themselves of loopholes.

The trend in the political situation in the CPC since August suggest the complexity of China's internal problems. Through 8 years of practice, Deng Xiaoping's line seems to have come to the brink of a certain breakthrough.

RENMIN RIBAO NEWSLETTER ON SITUATION IN KOREA

HK080156 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 6

["Newsletter From Korea" by staff reporter Tan Wenrui (6223 2429 3843): "Realities and Lies"]

[Text] The situation on the Korean peninsula has always aroused concern as it has a direct bearing on the peace and stability in Asia and the Pacific region. In order to bring to an end the split in the state of Korea and facilitate a peaceful reunification of the motherland, the DPRK Government has made great efforts in recent years. However, the South Korean authorities have never made a positive response to these efforts but repeatedly made a noisy clamor from Seoul, spreading lies about the so-called "threat of southward invasion from the North." But everyone who has recently visited the northern half of Korea will despise this clamor.

This time, our RENMIN RIBAO delegation visited this beautiful country in the golden season of early autumn. It was on the eve of Korea's national day that we arrived in Pyongyang. The heroic capital was permeated with the gaiety of the festival and everybody's face was filled with happiness and pride arising from the pursuit of a new life. During the following 2 weeks of our stay in Korea, we saw people engaging in peaceful construction in high spirits everywhere. Trucks with placards bearing the slogan "Support Construction" were transporting all kinds of materials from different parts of the country to different construction sites. In high spirits, peasants in Nam-gang Village along the Military Demarcation line were starting to harvest. The workers of Hungnam Chemical Fertilizer Plant were striving very hard to overfulfill the year's production quota. Engineers and technicians were checking the data concerning the bearing capacities of dams and dikes with rapt attention in the reading rooms of the People's Great Study Hall. The Korean Film Studio was going all out to produce a feature film on the life story of the revolutionary, Kim Ku. And the responsible person of the Pyongyang City's Central Zoo proudly told us about a plan to double the size of the zoo. Everybody was busy pursuing the better life of tomorrow. Can any visitor find any indication of war preparations here? Definitely not!

Let us have a look at the magnificent blueprint for the capital's construction which is really inspiring. There are more than 200 large-sized construction projects currently under construction or to be initiated very soon. We saw tower hoists operating everywhere, in east and west Pyongyang, at the foot of Moran-bong and on the bank of the Taedong-gang, on Yanggak-do and on Rungra-do. The builders in the capital will very soon complete a high-rise residential estate project with a total floor space of more than 400,000 square meters along Puksaid-gori near the Gate of Triumph at the center of the capital; they are also initiating the second phase of the Chonrima-gori construction project, and planning to build a Kwangpok-gori [0342 1788 1129 5894] equal in size to a small city in the Mangyongdae District within 3 years at a speed of one storey every 3 or 4 days, so as to be ready for the 13th International Youth Festival to be held in 1989. Large-scale construction projects like these are obviously incompatible with plans to launch new wars.

The most convincing fact is that the Supreme Command of the DPRK People's Army has transferred a total of 150,000 commanders and fighters (including the garrison units guarding the forward positions along the border) to participate in construction projects. Although these soldiers are wearing military uniforms, they are not digging entrenchments but plunging themselves into the great struggle of nature transformation in reclaiming land from the sea and building dikes, dams, power stations, houses, and railways. The marvellous 8-kilometer Nampo Dike, which was completed not long ago, was the product of 5 years' collective efforts of more than 30,000 People's Army fighters. [paragraph continues]

When people gaze out from afar at the long dike which looks like a jade belt blocking the mouth of the Taedong-gang, they will naturally think of the moving scene where tens of thousands of fighters were struggling under arduous conditions days and nights. Now these brave and strong men have hurried to new "battlefield" where they are dedicating their youth to reclaming 300,000 hectares of land from the sea, a great project to change Korea's map. Will the North launch these projects if it really intends to achieve the reunification of the country by force as alleged by the South Korean authorities in their accusation about the so-called "southward invasion"? Not long ago, the DPRK People's Army Supreme Command openly declared: "We have transferred a considerable part of our military forces to peaceful construction. If the U.S. and South Korean authoities adopt peaceful measures in response to our efforts, we will take further steps in the interests of peace in Korea." This is a well-meaning proposal and peaceful challenge!

It was on the same day when we arrived in Pyongyang that the "Pyongyang International Conference for a Nuclear-Free and Peaceful Korean Peninsula" was wrapped up. Present at the conference were several hundred respresentatives from dozens of countries. It was at that conference that the Korean delegation head Kim Hwan declare in the most uneqivocal terms: "Having suffered from the diastrous war launched by imperialist, the Korean people have reconstructed modern cities and countryside from the ruins, displaying a spirit of self-reliance and arduous struggle. It is natural that they oppose war and look forward to peace." The delegation head also clearly stated: "The so-called threat of southward invasion does not exist at all. In light of the three cardinal principles of independence, peaceful reunification, and great national unity that our party has always upheld in its struggle for the reunification of the motherland and taking the relative military strength of the North and the South into consideration, such a threat is just unimaginable." Are these sincere remarks not very convincing? In fact, President Kim Il-song pointed out 3 years ago: "We have repeatedly declared that we will never 'invade the South'... We do not want to make war and destroy what we have built up. Our people want peace instead of war. If you compare the military forces of the northern part of Korea with those of the southern part of the country, you will be convinced that we never want to 'invade the South'."

On Yonchang Hill in Kukhwa-ri of Changpung-kun, Kaesong, we saw through lescopes the 5 meter-tall cement wall along the southern side of the Military Demarcation Line. It is said that this 240 km long wall, stretching from the eastern coast to the western coast, was built by the South Korean authorities with a view to preventing the North's "southward invasion." Colonel Hong Sun-kun, a military officer of the Korean People's Army, spoke in an indignant and disdainful tone: "This is a 100-percent lie! Just look at those 4 meter-wide iron gates installed along the wall, separated from each other a few hundred meters. If they really meant to prevent the North's southward invasion, why did they leave these passages which can let tanks and armor cars through? It is obvious to all that they are instead preparing to 'invade the North'." One cannot but agree with him.

Recently, the northern part of Korea has proposed more than once a bilateral agreement on suspension of military exercises with a view to relaxing the tense situation on the Korean peninsula. However, the South Korean authorities have turned a deaf ear to the proposal, continuing to held joint military maneuvers with the United States, with their scale expanded each time. Under such circumstances, the army and people of the northern part of Korea of course cannot remain at ease but keep due vigilance. A People's Army leader told us: "We do not want to make war. But we cannot give up preparations against aggression either. That is the reason why our more than 100,000 commanders and fighters are still in military uniform although they are engaged in peaceful construction." We can draw a conclusion from our impression: There will be no war crisis on the Korean peninsula so long as the United States and the South Korean authorities do not embark on a military adventure and armed provocations. No lie can cover up hard facts!

ECONOMIC COOPERATION MEETING WITH JAPAN OPENS

OW061752 Beijing XINHUA in English 1511 GMT 6 Oct 86

[Text] Tokyo, October 6 (XINHUA) -- China and Japan opened a three-day meeting today to discuss economic cooperation including the expansion of joint ventures.

The meeting was co-sponsored by the China International Trust and Investment Corporation (CITIC), the Japan Chamber of Commerce and Industry and the Japan-China Economic Association.

Speaking at the opening ceremony, Rong Yiren, president of CITIC, expressed the hope that the meeting would promote economic and technological exchanges between China and Japan.

ACCORD LETS CHINESE TECHNICIANS STUDY IN JAPAN

OW061802 Beijing XINHUA in English 1518 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- An agreement to enable Chinese technicians to study in Japan was signed by the Beijing Industrial College and Japan's Fukui Institute of Technology here today.

Zhang Jingfu, state councillor and chairman of the China Association for International Personnel Exchanges, attended the signing ceremony.

According to the agreement, which will be effective for the next five years, Japan will receive up to 200 Chinese students of electrical engineering, machinery, chemistry and architectural designing.

The first group of 33 Chinese students is scheduled to leave for Japan in April next year.

The agreement came about under the auspices of the China Association for International Personnel Exchanges and the Japan-China Association for Friendship through technical exchanges.

Zhu Hesun, president of the Beijing Industrial College, and Kenzo Kanai, president of the Japan-China Association for Friendship Through Technical Exchanges and chairman of the board of directors of the Fukui Institute of Technology, signed the document.

Afterwards, Zhang Jingfu gave a dinner for the Japanese guests.

JI PENGFEI MEETS JAPAN SOCIALIST PARTY MEMBERS

OW071140 Beijing XINHUA in English 1106 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Chinese State Councillor Ji Pengfei met here today a delegation of Socialist Party members of Japan's House of Representatives, led by Sanji Muto, former vice-chairman of the Socialist Party.

The delegation arrived here yesterday at the invitation of the China-Japan Friendship Association.

HU QILI MEETS JAPANESE UNION DELEGATION

OW061734 Beijing XINHUA in English 1456 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- Hu Qili member of the Political Bureau of the Chinese Communist Party Central Committee, met with a delegation from the Federation of Independent Unions of Japan led by its President Mitsuharu Warashina here this afternoon.

Hu, also a member of the Secretariat of the CPC Central Committee, noted that ever since its founding in 1956 the federation has maintained friendly relations with the All-China Federation of Trade Unions and made positive contributions to the China-Japan friendship, the resumption of diplomatic relations between the two countries and the signing of the Sino-Japanese Treaty for Peace and Friendship.

Luo Gan, vice-president of the All-China Federation of trade Unions, was present on the occasion.

FANG YI MEETS MITSUBISHI CORPORATION DELEGATION

OW071326 Beijing XINHUA in English 1313 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Chinese State Councillor Fang Yi met with a delegation from the Mitsubishi Corporation of Japan led by its new president Takeo Kondo here this afternoon.

Kondo said since the Mitsubishi Corporation, on behalf of the Mitsubishi group, signed an agreement for scientific and technological exchanges and cooperation with the China Science and Technology Exchange Center in 1984, the two sides have undertaken cooperation covering a wide range of areas.

Fang expressed the hope that the two sides will engage in technological cooperation in the joint exploration of China's non-ferrous metals.

Kondo said his corporation is interested in making researches on such cooperation.

The Japanese visitors arrived here on October 6 at the invitation of the China Science and Technology Exchange Center.

ZHANG JINGFU MEETS JAPAN COMMUNICATIONS GROUP

OW071150 Beijing XINHUA in English 1116 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Chinese State Councillor Zhang Jingfu met Japanese Vice-Minister of Posts and Telecommunications Kyoshi Ozawa and his party here today.

The Japanese visitors are here for exchanging views with relevant Chinese departments on bilateral cooperation in posts and telecommunications. They will also attend an inauguration ceremony of the Beijing Posts and Telecommunications Training Center, a project built with the Japanese gratuitous aid, and will travel to Shanhai and Suzhou besides Beijing.

PUBLIC SECURITY GROUP MEETS PAKISTAN'S JUNEJO

OW281921 Beijing XINHUA in English 1847 GMT 28 Sep 86

[Text] Islamabad, September 28 (XINHUA) -- Mohammad Khan Junejo, prime minister of Pakistan, met with a Chinese public security delegation at his chamber in the Parliament building here today and reaffirmed the existing profound friendship between Pakistan and China.

The prime minister told Yu Lei, head of the delegation and vice-minister of the Ministry for Public Security, that exchange of experience in maintaining public security has added a new field to the existing extensive cooperation between the two countries.

On the same day, the Chinese delegation, which arrived in Karachi on September 26, visited an Afghan refugee camp at Nasirbagh tentage village on the outskirts of Peshawar in northwest frontier province. Yu Lei in his address to a refugees' gathering reaffirmed that China would continue its moral and material support to the Afghan refugees till the withdrawal of the Soviet troops and honourable return of the Afghan refugees to their country.

He also lauded Pakistan's principled stand on the Afghanistan problem on all international forums and the role played bv the people and government of Pakistan in hosting more than thee million Afghan refugees, despite their limited resources.

The delegation, first of its kind to visit Pakistan, will visit different police institutions and other places of interest during its stay in this country. It will leave Pakistan for home on October 3.

ALL-CHINA TRADE UNION GROUP ENDS VISIT TO NEPAL

OW021858 Beijing XINHUA in English 1649 GMT 2 Oct 86

[Text] Katmandu, October 2 (XINHUA) -- The All-China Trade Unions federation delegation left here for Karachi, Pakistan, today after a five-day visit to Nepal.

During the visit Prime Minister Marich Man Singh Shrestha met with the four-member delegation headed by Li Rongguang, member of Presidium and Secretariat of the federation. The prime minister praised China's economic assistance in Nepal's development and believed that the delegation's visit would further promote friendship of the two countries.

The delegation was also received by chairman of National Panchayat (parliament) Nava Raj Subedi and Panchayat and Local Development Minister Pashupati Shumshere J.B. Rana.

The delegation had talks with Promod Malla, president of the Nepal Labor Organization. They exchanged experiences in trade union works and the role trade unions should play in national development.

The delegation arrived here on September 27 at the invitation of the Nepal Labor Organization (NLO). This is the first leg of the delegation's South Asian trip.

It is the first Chinese trade union delegation in Nepal since the two countries established diplomatic relations in 1955.

PREPARATIONS FOR VISIT OF QUEEN ELIZABETH II

Warm Guangzhou Welcome Planned

OW071527 Beijing XINHUA in English 1517 GMt 7 Oct 86

[Text] Guangzhou, October 7 (XINHUA) -- Guangzhou residents and city officials are planning a warm, sincere welcome for the coming visit of Britain's Queen Elizabeth II.

The city official told a XINHUA reporter that when the queen arrives at the Baiyun Airport two girls will present her with fresh flowers, and huge streamers celebrating Anglo-Sino friendship will be hung along the ten-kilometer-long street from the airport to the White Swan Hotel where the queen will stay.

In addition, Guangzhou artists are rehearsing Chinese traditional folk dnaces, including "playing lions and (?dragons)," to welcome the queen and the Duke of Edinburgh.

During her stay in Guangzhou, the queen will tour the landscaped gardens of Xiyuan Park and join several thousand young pioneers in watching a children's show presented by the children's art center of Guangzhou.

Teenage performers of the Peilie Theater are also preparing for a royal visit, and the BBC, the London Television Station and the Guangdong Television Station will cover the performances given by the children in advance.

Xian Prepares for Visit

OW080810 Beijing XINHUA in English 0753 GMT 8 Oct 86

[Text] Xian, October 8 (XINHUA) -- British Queen Elizabeth II will be welcomed by dozens of actors dressed up as ancient imperial guards as she visits the museum displaying terracotta warriors and horses near Xian on October 16

These actors, wearing helmets and armor and carrying ancient weapons, will guard the gate of the museum just as the former imperial guards might watch over the entrance to the palace on Qinshihuang, China's first emperor, over 2,000 years ago.

"We are all ready and eagerly awaiting the historical visit of Her Majesty Queen Elizabeth II," Wu Zilin, curator of the museum, told XINHUA in a recent interview.

According to Wu, 163 warriors and one horse were repaired and returned to the No. 1 vault over a month ago, bringing the total of warriors and horses in the vault to 828. Museum workers have been busy brushing dust off the warriors and horses on display in the vault.

Wu said that warriors and horses in one sixth of the area of the vault had been excavated from May 1974 to October 1981, and archeologists started excavation again last March. The British visitors will see the archeologists at work when they visit the museum.

To accomodate the queen's motorcade, the 200-meter road leading to the museum has been widened from eight to twelve meters and its asphalt surface has been replaced with concrete, Wu said.

He noted that over 12 million visitors had seen the warriors and horses, known as the greatest archaeological discovery of the century, since their excavation in 1974. Among them were over 700,000 overseas visitors from over 100 countries and regions, including more than 60 heads of foreign states and governments.

The terracotta warriors and horses were buried as attendants to Qinshihuang near his tomb, which is 37.5 kilometers away from Xian. Their burial site was discovered accidentally by local peasants sinking a well in March 1974.

It has been verified by archaeologists that the No. 1 vault, opened to visitors in 1979, contains over 6,000 such warriors and horses in 10,000 square meters. Two other vaults, the No. 2 and 3, were also discovered later.

From September to November last year, 33 warriors and horses were exhibited in Edinburgh in Scotland, a city having friendship ties with Xian. Some 220,000 people visited the exhibition, with the long lines described as the great wall built upon the order of Qinshihuang by a BBC television reporter.

The repaired No. 2 bronze chariot on display at the museum is one of the two excavated near the Qinshihuang Tomb. The chariot, a half-size imitation of the real imperial chariot with 3,462 parts, is the most complicated bronze relic discovered in China.

BRITISH BUSINESS LEADERS TO HOLD TRADE SEMINAR

OW080350 Beijing XINHUA in English 0238 GMT 8 Oct 86

[Text] London, October 7 (XINHUA) -- A large group of British business leaders will accompany Queen Elizabeth II on her visit to China, scheduled for October 12-18.

The group, headed by Sir James Cleminson, chairman of the British Overseas Trade Board BOTB), and Sir Eric Sharp, president of the Sino-British Trade Council, will hold a two-day seminar in Shanghai to discuss trade and economic cooperation between British companies and their Chinese partners.

"We are there with confidence," Sir James told a press conference here today.

According to the BOTB, the first day of the seminar, dubbed "Sea Day" as meetings will be held on board the Queen's yacht Britannia, will include presentations on British expertise in energy, transportation, processing and telecommunications, and Britain's ability to help realize development priorities in China's current five-year plan.

The second day of the seminar, "Land Day", will concentrate on 15 separate projects in Shanghai and the Yangze Delta area with a total of 120 British business leaders in project teams.

The British hope the two-day event will result in early agreements on many of the projects under discussion, some of which have already been through months of negotiations, including the Beilun Port project in Ningbo, Hangzhou Province.

However, they expressed some fears about strong competition from other industrial countries on various projects, such as the Shanghai underground transportation system.

Sir Gordon Sloan, president of the 48 group of British traders with China, said at today's briefing that Sino-British political relations were at their highest level in several centuries. Now economic relations between the two countries should develop to a relevant level, he said.

According to official figures, British trade with China at the moment is small, but growing rapidly. The bilateral trade volume surpassed one billion U.S. dollars in 1985. During the first half of this year, the trade volume figure surpassed 600 million dollars, but was still much smaller than that of other major competitors.

BRIGHT PROSPECTS FOR CULTURAL EXCHANGE WITH UK

OW08056 Beijing XINHUA in English 0844 GMT 7 Oct 86

["Bright Propects for Sino-British Cultural Exchange" -- XINHUA headline]

[Text] Beijing, October 7 (XINHUA) -- Sino-British cultural exchange and cooperation has seen sound development and steady increase over the past years thanks to positive efforts of both governments.

Statistics show that from 1972 to 1979 China and Britian worked together on 10 projects only. As a result of the Educational and Cultural Cooperation Agreement signed in London in 1979, and the cultural, educational and scientific exchange program every two years, joint projects, through official and individual channels, have increased to 72.

These projects included a film-week and retrospective film exhibition in each country and an exchange of delegations and personnel involved in drama, fine arts, publication, photography, education, library science and gardening.

The most influential items include the TV English teaching program jointly created by the Chinese Ministry of Radio, Film and Television, and the BBC which has attracted millions of Chinese viewers over the past years.

Last year, when the Peking Opera "Three Beatings Taken by Tao Sanchun" made its debut at a London art festival, British audiences were enthralled by the unique charm of China's traditional opera.

During China's first Shakespeare festival in April this year, Chinese artists staged 24 plays of the renowned English playwright and poet, including "Richard The Third", "The Merchant of Venice" and "A Midsummer Night's Dream" in the traditional and local operatic styles.

Their efforts are regarded as giving Shakespeare's works new life and building a bridge between the English bard and the Chinese people. The event was proclaimed as "an unprecedented event" in Sino-British cultural exchange.

The biggest education program -- Chinese students sent to Britian to study -- has also seen increases in the past two years. So far there are more than 1,400 scholars and students studying space navigation, communications, chemical industry, medicine, economy, law and oceanology in Britian, while 65 British are studying in China.

When Chinese Communist Party General Secretary Hu Yaobang visited Britain in June this year, a ten-year Sino-British friendship scholarship plan was signed by China, Britain and the Y.K. Pao Foundation. Under this scheme, China will send 400 students pursuing Ph.D. degrees and visiting scholars to study in Britain in 1987.

An official of the Cultural Ministry noted, though China and Britain have differnt cultures, it will not hinder the cultural exchange between the two countries. With the successful settlement of the Hong Kong issue between Chinese and British Governments, the propects for cultural exchange between the two countires will be very bright.

DUTCH 'CLOSE' TO SOLUTION ON TAIWAN SUB SALE

OW080400 Beijing XINHUA in English 0233 GMT 8 Oct 86

[Text] The Hague, October 7 (XINHUA) -- The Dutch Government is close to a solution to the controversial delivery of two submarines to Taiwan next year without offending the Chinese Government, a Dutch Defence Ministry spokesman said here Tuesday.

Dutch Parliament will be informed soon of the proposed solution agreed following months of talks between the Defence and Foreign Ministries, the spokesman said.

He said that it was now envisaged that 10 Dutch Navy experts would become employees of a private firm which builds the submarines for Taiwan and would supervise their trial runs in this capacity.

Originally it was envisaged that the Dutch Navy would cooperate with the Taiwanese Navy for sea trials with the new submarines. But Dutch Foreign Minister Hans van den Broek has repeatedly stated the involvement of the Dutch Navy should be kept to a minimum to avoid damaging relations with China.

However, it was reported that although these training officers "will not be allowed to wear uniforms on board the subs, they will be Navy employees for all of the training period."

The Dutch Government approved a 1-billion-guilder (450 million-dollar) submarine sales in 1981 to Taiwan, a province of China. As a result, China downgraded the Dutch-Chinese relations to the charge d'affaires level, but restored diplomatic ties in 1984 when the Dutch Government refused to sell two more of the conventional subs to Taiwan.

The Dutch Government has repeatedly stated that the two submarines would be the last defense-related items sold to Taiwan.

The first of the two controversial submarines was "officially named" the "Seadragon" at a ceremony in Rotterdam yesterday.

The vessel was given its name by the wife of the "director" of the Taiwanese trade office in The Hague.

Taiwan's Navy was represented at the ceremony by its deputy commander, Admiral Lo-chi.

EASTERN EUROPE

NPC DELEGATION CONTINUES EAST EUROPEAN TOUR

Received By Hungarian President

OW040416 Beijing XINHUA in English 0151 GMT 4 Oct 86

[Text] Budapest, October 3 (XINHUA) — President of the Council of the Hungarian People's Republic Pal Losonzi met with the delegation of the Chinese National People's Congress led by its Vice-Chairman Liao Hansheng here this morning.

At the meeting, both sides reviewed the developing and aspiring cooperative ties between the two countries and the two legislative bodies, and explored the possibility of improving such contact.

During his visit, Liao met with Hungarian Vice-Premier and Director of the National Planning Bureau Lajos Faluvegi, Finance Minister Istvan Hetenyi and Foreign Minister [title as received] Gyula Horn. Besides, he visited car plants and farm cooperatives.

The Chinese delegation wound up its visit here this afternoon and was leaving Budapest for Czechoslovakia, the last leg of its three-nation East European tour. Its first leg was Bulgaria late last month while Hungary is its second stop.

Arrives in Czechoslovakia

OW061628 Beijing XINHUA in English 1516 GMT 6 Oct 86

[Text] Prague, October 6 (XINHUA) — A delegation from the Chinese National People's Congress (Parliament), led by Vice-Chairman of its Standing Committee Liao Hansheng, arrived here today to begin an 8-day visit to Czechoslovakia.

This is the first high-level delegation of the Chinese Parliament to visit this country in over 20 years.

Czechoslovakia is the last leg of the delegation's three-nation East European tour. It has visited Bulgaria and Hungary.

During its stopover in Vienna on October 4, the delegation was met by Anton Benya, president of Austria's Nationalrat (National Council).

Assembly Chairman Greets

OW080329 Beijing XINHUA in English 0229 GMT 8 Oct 86

[Text] Prague, October 7 (XINHUA) — Czechoslovak Federal Assembly Chairman Alois Indra today met with a Chinese delegation of the National People's Congress led by its Standing Committee's Deputy Chairman Liao Hansheng.

The two men exchanged views on parliamentary work and briefed each other on their countries' foreign policies and socialist construction.

Indra said that in the international arena, Czechoslovakia and China have similar or identical views on a series of principled matters, and the development of Czechoslovak-Chinese relations benefits the cause of socialism and peace.

"We hold that the present period is particularly suitable for the development of relations between our two countries," he said.

Liao praised the Czechoslovak people for their achievements in socialist construction.

"After an interval of 30 years, the visit of a delegation of the Chinese National People's Congress to your country will open a new page in the friendly exchanges between our two parliaments. It will make active contributions to the development of relations between our two countries," he said.

The Chinese delegation arrived in Prague Monday for an official visit. Earlier today, the Czech National Council's Chairman Josef Kempny also met with the Chinese guests.

WEN WEI PO ON PRC FRIENDSHIP WITH EASTERN EUROPE

HK021025 Hong Kong WEN WEI PO in Chinese 2 Oct 86 p 2

[Editorial: "China Wins Friendship of Eastern Europe]

[Text] Since Sino-Soviet relations became frozen, Jaruzelski has been the first state leader among the Soviet Union's close East Europoean partners to visit China. This alone is enough to show the significance of Jaruzelski's visit to Beijing. It not only helps promote cooperation and friendship between China and Poland but also betokens the rapid development of China's friendly relations with various East European countries.

In August, East German leader Erich Honecker's upcoming visit [to China] in October was announced; Jaruzelski's China visit was not revealed until a few days ago. This was followed by his arrival in Beijing from Korea. He met with Deng Xiaoping, Hu Yaobang, Zhao Ziyang and Li Xiannian and signed an agreement for cultural and scientific cooperation between the two countries. A "press communique" was released. He arrived and left in a hurry. Foreign dispatches commented that this was "catching an early train" in various East European countries' effort to make up with China. The degree of a "China fever" in Eastern Europe can be seen.

What was the purpose of Jaruzelski's visit? The signed agreements on long-term trade, culture, science and technology, and sanitation between the two countries have been revealed. He came to develop friendly cooperation between the two countries. China's increasingly liberalized market has attracted various East European countries. Poland is China's second largest partner in the Soviet Warsaw Pact. China is Poland's largest market in the Far East. The economic development of the two countries calls for enlarged cooperation between the two countries.

But Jaruzelski's visit to China was not just for the purpose of signing agreements. From talks between the leaders of the two countries, we can see that they stressed their being both socialist countries and their being both engaged in socialist reform. Therefore, how to give full play to the superior features of the socialist system had all along attracted the attention of the leaders of the two countries and became an important topic at the talks. This serves to emphasize the aspect that relations between China and Poland are different from those between Western nations. The formation of a political basis for the future development of the two countries is also what was meant by Jaruzelski's description of his current visit to China as "a business trip."

Whetner Jaruzelski's visit to China was prompted by a mission to seek improved relations between China and the Soviet Union is unknown. At the party, Jaruzelski said: "We have noted with great satisfaction how China improves and develops its relations with other socialist countries. We hope that this kind of development will extend to all socialist countries." The word "all," of course, means the Soviet Union first of all. In fact, without some improvement in Sino-Soviet relations, Jaruzelski's visit could not have taken place. His Eastern trip reflects readjusted relations between the Soviet Union and East European countries, the latter winning greater independence than before. It also reflects China's having won greater friendship and cooperation among the Soviet Union's closest partners.

China and Poland did not talk officially about relations between the two parties. Jaruzelski's visit was in response to an invitation by the Chinese Government. The "press communique" mentioned the strengthening of exchanges between the social political organizations of the two countries but said nothing about the relations between the two parties. Yet at the meeting with Deng and Hu, Jaruzelski expressed sincere wishes to the Chinese Communists. Top-level contact has actually been resumed between the two parties. China had said: "Concerning the resumption of relations between various parties, there is no difficulty on China's part."

Shortly before Jaruzelski's visit to China, First Deputy Premier of Czechoslovakia Rohlicek and Deputy Premier of Hungary Faluvegi came to China. Later, Erich of East Germany also visited China. It was reported that Kadar, head of Hungary, would visit China too. China has made great progress in its diplomacy with Eastern Europe.

RELATIONS WITH E. EUROPEAN PARTIES TO DEVELOP

OW031640 Beijing XINHUA in English 1631 GMT 3 Oct 86

[Text] Beijing, October 3 (XINHUA) — China is willing to conduct dialogue, contact and develop all-round relations with East European countries to strive for world peace and mutually develop economies.

Wu Xingtang, spokesman for the International Liaison Department of the Chinese Communist Party Central Committee, spoke to reporters at a luncheon here today hosted by the All-China Journalist Association.

For a long time, he said, China has had very good relations with Yugoslavia and Romania, and China hopes such relations will further develop.

In addition to the two countries, the political, economic and cultrual relations, as well as personnel exchanges, between China and other East European countries have also witnessed great development, Wu noted.

"As both East and West European countries are forces for restricting war and safeguarding world peace, that's why we have attached great importance to developing relations with them," he said.

China has contacted the Communist Parties of East European countries in the past year and such contacts are still going on, he said.

Wu said it was a common international practice for political parties in the world, with similar or different characteristics, to conduct exchanges. "We would like to contact all those parties which wish to have contact and exchanges with the Chinese Communist Party," he said.

CITIC BUYS 50 PERCENT OF CANADIAN PULP MILL

OW280900 Beijing XINHUA in English 0727 GMT 28 Sep 86

[Text] Vancouver, September 27 (XINHUA) -- The China International trust investment corporation (CITIC) has bought 50 percent of the total assets of a Canadian pulp mill, according to an agreement reached here today.

The Power Corporation of Canada (PCC) and the Consolidated-Bathurst Inc. (C-BI) purchased the other 50 percent shares of the Celgar Pulpmill originally owned by Westar Timber Ltd., under the agreement between the CITIC and PCC and C-BI.

The joint purchase of the factory, at a cost of 90 million Canadian dollars (about 64.9 million U.S. dollars), signalled the first investment in Canada by CITIC, a comprehensive economic entity of China which has already invested in forest development, aluminum industry and other businesses in the northwest of the United States, Southeast Asia and Australia.

Located in Castlegar, British Columbia, the Celgar Pulpmill produces 180,000 tons of bleached Kraft market pulp each year. The output will be equally divided between CITIC and its Canadian partners and will meet part of China's demand for pulp.

Meanwhile, CITIC has recently set up a subsidiary, CITIC Canada Inc. in the country.

URUGUAYAN FOREIGN MINISTER ON TIES WITH PRC

OW041324 Beijing XINHUA in English 1202 GMT 4 Oct 86

[Text] United Nations, October 3 (XINHUA) -- Uruguay is willing to strengthen its relations with China in all fields, Uruguayan Foreign Minister Enrique Iglesias said in an interview with XINHUA today.

Uruguay is one of the two south Latin American countries which have not yet established diplomatic relations with China.

Foreign Minister Eglesias told XINHUA that the economic relations between the two countries have been promoted and the two countries have maintained frequent contacts diplomatically and politically since the constitutional government of Uruguay was formed in 1985.

Referring to a meeting between Uruguayan President Julio Maria Sauguinetti and Chinese Foreign Minister Wu Xueqian at the United Nations last year, the minister said, "it shows that both sides have great interest in continuing to promote bilateral relations so as to fully normalize relations at a certain time."

On the efforts made by the Contadora and Lima Groups to seek a peaceful solution to the Central American issue, the foreign minister pointed out that although they suffered some setbacks recently, they would never give up their peace efforts.

Iglesias said the solution to Latin America's debt problem lies in the opportunity to be given to the debtor nations to repay their debts through economic development.

PRC TRADE DELEGATION ARRIVES IN PANAMA

OW292115 Beijing XINHUA in English 1926 GMT 29 Sep 86

[Text] Panama City, September 29 (XINHUA) -- A 20-member Chinese trade mission led by Wang Kezhong arrived here Sunday evening for an exposition of Chinese articles.

Arriving at Omar Torrijos Airport, the delegation chief told XINHUA that "the aim of the exhibit is to promote the development of economic and commercial relations between China and Panama and to foster understanding and friendship between the two peoples."

"This will now be the fourth Chinese expostition to be held in Panama. I hope that this, like the ones held in 1975, 1981 and 1983 will be welcomed by the Panamanian people," he added.

The exposition, which will take place in the "Atlapa" Convention Center on the Pacific shore of this city from October 14 to 27, will cover an area of 1,000 square meters. On display will be 1,500 kinds of products including textiles, arts and handicrafts, chemicals, light industrial products, agricultural equipment, metals, tools and native and animal products.

The exposition is sponsored by the Chinese Council for the Promotion of International Trade with contributions from the China United Trading Corporation of Panama.

During the exhibit, the participating Chinese corporations will assign trade groups to conduct negotiations with their prospective partners from Panama and other Latin American countries.

A special section will open in the exposition building to sell articles to visitors at lower prices.

NPC DELEGATION OFF FOR BUENOS AIRES IPU SESSION

OW291213 Beijing XINHUA in English 1045 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- A delegation of China's National People's Congress (NPC), led by He Ying, member of the NPC Standing Committee, left here this afternoon for Buenos Aires, Argentina, to attend the 76th session of the Inter-Parliamentary Union.

ZHAO ZIYANG MEETS NEW ENVOY FROM NICARAGUA

OW301726 Beijing XINHUA in English 1641 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Chinese Premier Zhao Ziyang met here today the newly-appointed Nicaraguan ambassador to China Alfredo Alaniz.

TV SHOWS CHEN YUN AT COMMISSION SESSION

OW071802 [Editorial report] Beijing Domestic Television Service during its regular, Mandarin 1100-GMT newscast on 7 September shows a 3-minute videotaped report on the Eighth Plenary Session of the Central Discipline Inspection Commission.

The report begins with pan shots of the meeting hall, showing those attending the meeting and the meeting officials sitting at the rostrum. The report then shows closeups of Second Secretary Wang Heshou and Permanent Secretary Han Guang of the Central Discipline Inspection Commission. Later the report carries a closeup of Chen Yun, first secretary of the Central discipline Inspection Commission, sitting in an arm chair, apparently in a different room, reading a note. Chen Yun is seated in the center of the room, flanked by a dozen people, including Wang Heshou and Han Guang. The report then switches back to the hall where the session is held, showing closeups of Wang Heshou and Han Guang speaking, as well as pan shots of those attending the session.

This report is the first item of the 1100-GMT newscast.

CHEN YUN EXHORTS DISCIPLINE COMMISSION OFFICIALS

OW071345 Beijing XINHUA Domestic Service in Chinese 0710 GMT 7 Oct 86

[By reporter Li Shangzhi]

[Text] Beijing, 7 Oct (XINHUA) -- Chen Yun, member of the Standing Committee of the Political Bureau of the CPC Central Committee and first secretary of the Central Discipline Inspection Commission, called on party discipline inspection departments throughout the country to strive to guarantee and promote the smooth progress of socialist economic and political structural reform. He made this remark at a meeting with standing committee members of the Central Discipline Inspection Commission on the morning of 4 October.

To ensure the success of the Eighth Plenary Session of the Central Discipline Inspection Commission, officials of the commission called on Comrade Chen Yun at Zhongnanhai to report to him on preparations for and problems to be solved at the session. They were Second Secretary Wang Heshou; Permanent Secretary Han Guang; Secretaries Qiang Xiaochu, Han Tianshi, and Chen Zuolin; and Standing Committee members Wang Deying, Bao Yushan, Liu Liying, Li Zhilian, Li Zhengting, Xiao Hongda, and Fu Jie. Chen Yun, in high spirits, shook hands, exchanged greetings, and had pictures taken with them. He also discussed with them the work of the commission.

Looking ahead to the Eighth Plenary Session of the Central Discipline Inspection Commission, Chen Yun said that the session should concentrate on deliberating how to implement the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization." The building of spiritual civilization is a major issue concerning the success or failure of socialist construction as a whole. Standing Committee members of the Central Discipline Inspection Commission should work out a brief and to-the-point plan for the party's discipline inspection work.

Comrade Chen Yun stressed: Discipline inspection departments at all levels should not only combat and correct persons and acts that hinder and sabotage the reform, but also, more importartly, make their work a major force in promoting reform. All discipline inspection departments throughout China should gear their work closely to the smooth progress of socialist economic and political structural reform.

Chen Yun noted that with the CPC now being a party in power and China currently opening to the outside world and invigorating its economy, great changes have occurred in the objective environment. Therefore, discipline inspection departments and party organizations at all levels must attach importance to educating party members ideologically and politically and in party spirit under the circumstances of the Communist Party being a party in power.

Responding to the view expressed by Wang Heshou and Han Guang that it is necessary to stress education in party spirit and discipline at the plenary session, Chen Yun said: In view of the great difference in environment and conditions between a party in power and one not in power, it is necessary to educate party members in party spirit and discipline.

At the end of the meeting, Chen Yun walked his visitors up to the door. Holding Liu Liying's hands, he told her: "Since you are the only female member of the Standing Committee of the commission you shoulder an even heavier task."

Commission Issues Communique

OW071422 Beijing XINHUA Domestic Service in Chinese 0840 GMT 7 Oct 86

[Text] Beijing, 7 Oct (XINHUA) -- Communique of the Eighth Plenary Session of the CPC Central Commission for Discipline Inspection.

7 October 1986.

The Eighth Plenary Session of the CPC Central Commission for Discipline Inspection was held in Beijing from 3 to 7 October.

Attending the plenary session were 124 members of the CPC Central Commission for Discipline Inspection. Responsible comrades of organs concerned under the commission were present as observers. The session's central goal was to study and carry out the guidelines laid down by the 6th Plenary Session of the 12th CPC Central Committee. Wang Heshou, second secretary of the CPC Central Commission for Discipline Inspection, and Han Guang, permanent secretary of the commission, presided.

The pleanry session unanimously supported the "Resolution of the Central Committee of the Comunist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization" adopted by the 6th Plenary Session o the 12th CPC Central Committee. The session held that the resolution is a programmatic document for guiding the Chinese people in building a socialist spiritual civilization in the new historical period. It maintained that thorough implementation of the resolution will have great practical and long-term significance for ensuring the smooth development of China's socialist modernization program.

The plenary session unanimously supported the 'Resolution of the 6th Plenary Session of the 12th Central Committee of the Communist Party of China on Holding the 13th National Party Congress."

Chen Yun, first secretary of the CPC Central Commission for Discipline Inspection, made an important speech at the session on how to carry out the resolutions adopted by the 6th Pleanary Session of the 12th CPC Central Committee.

He pointed out: Building socialist spiritual civilization is an important factor that affects the entire socialist development. The Standing Committee of the Central Commission for Discipline Inspection should envisage and put forward a plan to be based on the whole party's discipline inspection work that brings up the main points on building a socialist spiritual civilization. Party discipline inspection departments across the country should, through carrying out their duty, ensure and advance a healthy development of the reform of the socialist economic and political systems. Party discipline inspection departments at all levels not only should resolutely oppose and correct those people and incidents that hamper and undermine reform, but they should also make discipline inspection work an important force for driving reform forward. Discipline inspection departments and party organizations at all levels must attach importance to educating party members ideologically and politically and in party spirit given the Communist Party is in power.

Comrade Wang Heshou made a speech at the session on improving party style and party members' way of thinking given the Communist Party is in power. He pointed out: Party committees and discipline inspection commissions at all levels should attach great importance to improving party style given the Communist Party is in power. They should take effective measures to strengthen and education in party spirit among all party members; oppose the idea of individualism, serious bureaucracy, and liberalism; and raise party members' ideological and moral standards. Only by doing so can we expect to improve party style and advance the development of socialist spiritual civilization.

The plenary session endorsed a report by Comrade Han Guang on "Earnestly Studying and Carrying Out the Guidelines Laid Down by the 6th Plenary Session of the 12th CPC Central Committee and Developing the Good Situation of Improving Party Style by the Whole Party."

The plenary session called on discipline inspection departments at all levels and all discipline inspection cadres to firmly respond to the call by the 6th Plenary Session of the 12th CPC Central Committee, earnestly study and carry out the "Resolution of the Central Committee of the Communist Party of China on Guiding Principles for Building a Socialist Spiritual Civilization," work harder themselves to promote spiritual civilization, firmly assist party committees in improving party style, ensure and advance a healthy development of the reform of the economic and political systems, and greet the holding of the 13th CPC National Congress with actual deeds.

BAN YUE TAN CORRESPONDENTS MEET 1-7 SEP

HK071152 Beijing BAN YUE TAN in Chinese No 18, 25 Sep 86 pp 36-37

[Report by BAN YUE TAN reporter: "Eighth BAN YU TAN Correspondents Conference in Beijing"]

[Text] It is a fine autumn in Beijing in September. From 1 to 7 September, 97 correspondents from 27 provinces, municipalities, and autonomous regions all over the country attended the Eighth BAN YUE TAN Correspondents Conference to sum up their work, exchange experience and discuss ways to continue their work and to satisfactorily run and publicize the journal BAN YUE TAN under the new situation.

Zhu Houze ad He Jingzhi, head and deputy head of the CPC Central Committee Propaganda Department kindly met all the participants to the conference. Comrade Zhu Houze said: "Each issue of BAN YUE TAN totals 5 million copies, being the largest among our journals."

In particular, as it caters for our basic-level cadres and masses of people, it plays an even greater role. It both promptly and relatively correctly and fully publicizes foreign and domestic situations and the CPC Central Committee's principles and policies. This is a very great undertaking." As the Propaganda Department of the CPC Central Committee has entrusted the XINHUA News Agency to run the journal, Zhu Houze thanked the correspondents from various areas and the comrades of the editorial department for their hard work and encouraged them to make even greater efforts in their work.

Comrade Wang Daming, permanent deputy head of the CPC Central Committee Propaganda Department came to the meeting to give a speech on the propaganda issue. He said that our newspapers and magazines had to be in line with the pulse of the reform and develop our propaganda work closely in the light of the actual thoughts of the masses of people. A very important issue that we should now pay attention to is to make our masses of people aware that the reform conforms to their vital interests, not only in the long-term, but in most cases, to their immediate interests.

Comrade Wang Daming praised BAN YUE TAN for its outstanding and fruitful work in grasping the pulse of the reform and really providing answers to the questions that the masses of people are most concerned about. The propaganda departments of our party committee at various levels should use this journal and give play to its role at the basic level.

Yuan Mu, deputy secretary general of the Financial and Economic Leading Group of the CPC Central Committee, Zhang Ling, head of the Liaison Group of the Central Commission for Guiding Party Rectitication, and Peng Di, a XINHUA News Agency commentator came to the meeting to give speeches respectively on the trend of economic reform, the situation of the work of party rectification, and the international situation.

The participants to the meeting said that these speeches have widened their fields of vision, augmented their grasp of macroeconomy, informed them on the new instructions of the CPC Central Committee and deepened their understanding of the party's policies. This will greatly help them in satisfactorily doing the propaganda work.

During the meeting, Chief Editor Comrade Min Fanlu gave a speech entitled "Climb New and Higher Peaks" to report on behalf of the editorial department on the journal's work in the past year. He also analyzed the situation that the journal faces. He said that as the number of copies has already reached 5 million, the next targets for BAN YUE TAN to strive to attain was: To consolidate the achievement and seek a steady growth, to attach importance to application and deepen the work of popularization, to develop the strong points and improve quality to attract readers, and to make efforts in unity in order to attain higher goals.

How can this target be attained? At the conference of all participants and group meetings and even at the intervals before and after the meetings, the participants carried out enthusiastic discussion freely. They analyzed the situation, talked about their experience, found how they fell short, tapped their potential, discussed with one another the measures they could adopt and thus put forward many very good proposals and measures for continuing to satisfactorily run and promote BAN YUE TAN. Through this conference, the participants have a clearer idea about the target and have fuller confidence and more methods. They said that BAN YUE TAN has already started a very great undertaking. The situation of reform, the expectation of the CPC Central Committee and the great hope that the readers hae placed on the journal are urging them to strive with one heart and one mind and continue to vigorously forge ahead. Together with the comrades in the Editorial Department, they should make new contributions on a higher plane to the further popularization and development of the journal and to the party's propaganda work.

Deputy Chief Editor Comrade Zuo Biao made a concluding speech and explained the revision of the "Summary of Minutes of the Eighth BAN YUE TAN Correspondents Conference." The participants unanimously approved the summary.

Mu Qing, director of the XINHUA News Agency, met all the participants, thanked the correspondents in various areas for their support and help in the work of the agency and the journal, and had a picture taken with them.

The conference commended 106 fine correspondents for the year 1986, and granted award flags to the responsible comrades of Shandong's Pingdu County, Jiangxi's Taihe County and Guangxi's Guiping County that have scored substantial achievements in promoting, using and issuing BAN YUE TAN.

ECONOMIC CRIMES EXPERIENCE 'ASTONISHING' RISE

HK060521 Hong Kong HONGKONG STANDARD in English 6 Oct 86 p 8

[Text] China's law courts dealt with an astonishing 35,000 cases of economic crimes in the first six months of this year, a 56 percent rise over the same period last year.

This all-time high forms the backdrop to the recently concluded 6th party plenum's resolution to continue its ruthless campaign to punish offenders.

And it explains a "throw-the-book-at-em" guideline just issued by the deputy head of the Supreme People's Court, Mr Lin Zhun, which calls for "vigorous administration" of the law in such cases.

All accomplices, even those who gain nothing from such crimes must be rooted out and punished, Mr Lin has said and erring party cadres, in particular, were singled out by him.

Economic crimes are those where the victim is usually the state. They run from corruption, smuggling, theft of state property, to profiteering and speculation.

China loses a huge amount from these crimes every year. Eleven major cases were handled by the Tianjing Municipal Court earlier this year, involving a total of renmimbi 69 million (HK$138 million).

Commerical crimes also rose a staggering 300 percent to 1,881 cases during this period.

These are only cases dealt with by the courts and do not include those pending trial or under investigations.

It bothers the authorities a lot that many of the crooks are either state employees or party cadres. Mr Lin revealed that of 373 people who now stand accused of major crimes before the Supreme People's Court, no less than 120 are cadres.

State employees exploit loopholes or long-standing bad practices for personal gain. In the postal service workers used to routinely open mail to steal valuables. In banks and public utilities bribery and embezzlement were common.

In the past such loot would have been used to support an extravagant lifestyle. Now it is channelled into more criminal undertakings like smuggling and gambling.

With no sign of success in rolling back this crime wave which threatens China's open-door policy, the Supreme People's Court laid down these basic principles for dealing with the problem:

-- Firm and vigorous administration of law.

-- In cases where cadres are involved, even the "protectors" must be held responsible.

-- All those involved, even where there is no material gain, must be punished if found guilty.

-- All investigations and legal proceedings must be conducted in strict accordance with prescribed rules.

-- Judges should be tempered with mercy. Ringleaders and hardened criminals should be more severely punished than those who "wandered" into crime, first-offenders, those who surrender themselves and their gains, and those who assist in catching other lawbreakers.

PRICE RISE DESIGNED TO INCREASE PRODUCTION

OW301250 Beijing XINHUA in English 1241 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- The lifting of government control over the prices of seven industrial products from late August is aimed at "increasing the production and supply of quality goods" through competition among manufacturers.

A senior official of the State Administration of Commodity Prices said today that the Chinese Government has since then lifted control over the prices of bicycles, black-and-white television sets, refrigerators, washing machines, tape recorders, some varieties of pure cotton yarn and viscose polyester.

This means that manufacturers now can set and readjust the prices of these products according to market demand, he explained, noting that the new government move is designed to stimulate businesses to "improve management and quality."

He said, "A prominent problem in China's current price system of manufactured goods is that the price differences between products of different grades and quality are not wide enough."

He went on, "This long-standing problem has resulted in short supplies of quality products and their rationed supplies, as well as overstocking of low-grade goods."

This state of affairs hampers the growth of production and the streamlining of commodity circulation, and does not suit the needs of a "socialist commodity economy."

The official said that China's markets have remained basically stable since late August. Products that have chalked up big increases in prices are "Phoenix", "Yongjiu (Ever-lasting)" and "Flying Pigeon" bicycles, imported refrigerators and washing machines, and some Chinese-built double-compartment refrigerators.

Meanwhile, prices of some tape recorders and black-and-white television sets have dropped in some areas, he said.

A sample survey shows that most residents in China's leading industrial city of Shanghai believe the price rises will help "ease the shortages in supplies of quality goods and curb back-door deals in such goods."

'BLAZING NEW TRAILS' STIMULATES IMPORTS

HK030833 Beijing JINGJI RIBAO in Chinese 22 Sep 86 p 3

[Article by Cheng Zhili (4453 0037 0500): "Opening Up and Import Depend on Blazing New Trails and Forging Ahead"]

[Text] In the first half of this year, the work of opening up and importing foreign technology in many localities did not make good progress. The number of imported items and items under negotiation decreased, and the powers of the open cities and special economic zones were narrowed. It is unavoidable that some comrades have become disgruntled.

However, the situation in the Tianjin Economic and Technological Development Zone is quite different. There, the number of imported items has been steadily increasing since last year. In a short period of 21 months, 34 joint ventures have been formed and approved. More gratifying development is expected in the second half of this year. There, people do not see any disproportion of the investment structure. Production items account for 87.5 percent of the total number of imported items (or 40 percent of the funds involved). There, it merely takes an average of 6 months to conclude a transaction, which is far more efficient than the work in other localities, where negotiation on an item always takes 1 to 2 years.

What do they rely on? The state did not give them more special powers and privileges than other open areas. They just rely on their own efforts.

They clearly specify the scope of imported items in light of the local industrial foundation and the characteristics of local resources, strictly control the yardsticks for negotiating on the items in light of their financial strength and foreign exchange reserve, and carry out bold reform of their own management system in light of the objective needs in opening up. They separated administrative functions from party organizations and separated enterprise functions from government institutions; cadres were divided into different categories and performed different functions; they also set up democractic councils to manage various affairs. [paragraph continues]

In order to create a good investment environment, they gave prominence to the service functions of the administrative body of the economic development zone so as to provide good conditions for the investors and help them solve problems. Under the situation of tightened overall control in the whole country, they created a fine climate in their area through their creative work. The commercial counsellor of the U.S. Embassy in China said in a report to the U.S. State Department: "We found that the investment environment in the Tianjin Development Zone is similar to that of the Shekou Industrial Zone, the best in China." Whether there is a good investment environment is the main standard for judging our work. The comment of this American diplomat shows that after the central authorities took various measures to strengthen overall control, localities could still have room for taking initiative. Without the initiative of localities, opening up would not be successful.

We are now in era of reform, and all people should have a reform spirit to blaze new trails in their work. So long as one has this spirit, one will have the courage to blaze new trails. All people have resoucefulness, but many people lack courage. If people understand this point, they may not merely grumble about things.

Opening up and importing technology are new tasks for us. Nobody has a ready-made key to open this door. Therefore, all of us should explore a successful road. The initiative of localities should be brought into full play, and only by blazing new trails and forging ahead courageously can we create a new situation in our work.

3 MAJOR ISSUES IN FOREIGN EXCHANGE REFORM

HK020947 Hong Kong MING PAO in Chinese 2 Oct 86 p 32

["Special Dispatch" From Shanghai: "A Responsible Person of the State Administration of Exchange Control Discloses That the Foreign Exchange Structure Will Be Reformed"]

[Text] A responsible person of the State Administration of Exchange Control recently said at a meeting: Due to its numerous problems, the current foreign exchange structure will soon be reformed. Major efforts will be made to solve three problems.

He pointed out: The principal problems today are: 1) The practice of the supply system in the distribution and use of foreign exchange, which has resulted in poor returns from the use of foreign exchange; 2) the practice of controlling foreign exchange through numerous departments has resulted in the failure of the economic means to play a leading role in adjusting and controlling foreign exchange; and 3) the fact that foreign exchange receipts and payments are restricted by financial subsidies has resulted in a situation whereby the import and export quantities are determined, to a large extent, by the amounts of financial subsidies.

The responsible person said: In view of this situation, the reform of the foreign exchange structure must concentrate on strengthening and improving macroeconomic control over foreign exchange and give more play to economic and legal means. Moreover, it is necessary to strengthen the force of the central bank, the People's Bank of China, to adjust and control foreign exchange. Therefore, it is necessary to gain a clear understanding of the three major issues in the reform of the foreign exchange structure:

1. To reform the exchange rates. For a long time the exchange rate of the renminbi has been too high. In order to change this state of affairs, we have changed the exchange value of the renminbi since 1980. [paragraph continues]

Recently, we again devalued the renminbi by a large margin. In the future, we shall constantly adjust the exchange rate in light of the domestic price fluctuations and the economic development so that it can come closer to the rational level and give scope to its role of bringing about a balance of international payments.

2. To make vigorous efforts to redistribute foreign exchange and gradually open the foreign exchange market. A relatively comprehensive foreign exchange market must have the following basic features: 1) The market exchange rate should be determined by foreign exchange supply and demand; 2) the object of market dealings is the real foreign exchange and not the right to use it; 3) foreign exchange at the disposal of the market should account for a larger proportion of the state foreign exchange receipts and payments; and 4) there must be sound rules and regulations and management bodies.

He said: To develop such a foreign exchange market, it is necessary to have the following conditions: 1) It is necessary to change the existing economic structure and to decentrailize powers. Economic construction projects should mainly be conducted by local authorities, departments, and enterprises, thus making it unncessary for the central authorities to pool a large amount of foreign exchange. 2) It is necessary to relax controls over and straigthen out domestic prices and to seek the balanced level of foreign exchange according to changes in supply and demand. 3) It is necessary to have a fairly comprehensive system of foreign trade controls and import and export permits. 4) Imports and exports should not be given large amounts of financial subsidies.

He said: It takes time to set up a foreign exchange market. At present, we can only do a good job of redistributing foreign exchange on the basis of the existing foreign exchange redistribution methods and thus pave the way for the establishment of the foreign exchange market. Following the reform of the foreign exchange redistribution methods, it is necessary not only to gradually relax controls over the price of the redistributed foreign exchange and to let it float on a certain scale but also to expand the scale of the redistribution at different levels.

3. To reform the method of managing foreign debts. There are quite a few problems in the method of managing foreign debts, such as decentralized management and indistinct division of work, an inadequate knowledge of the foreign debts borrowed, an irrational foreign debt structure, and unreliable economic returns from the use of foreign credits. These problems have developed because we have not exercised unified management over foreign debts.

He said: The central authorities have designated the Foreign Exchange Control Bureau of the People's Bank of China as a national organ in charge of foreign debts. Its major tasks are: To have a good grasp of the information on foreign debts and to put forward forecasts or suggestions in good time; and to bring into play the function of the state in controlling, inspecting, and supervising foreign exchange.

OFFICIAL WANTS CONTINUED FINANCIAL REFORM

HK070340 Beijing CHINA DAILY in English 7 Oct 86 p 4

[By Huang Zhizi]

[Text] Reform in financial areas should not fall behind that in other fields, said Liu Hongru, Vice-president of the People's Bank of China and the Society of Chinese Finance, in his report at the second annual meeting of the society, which ended in Changchun.

"Hungary tasted the bitter fruits when its reform of finance lagged behind other circles," Liu said.

Liu insisted in his report that reform of financial markets is an indispensible part of urban reform. And he had his reasons. "As the economy in China is developing into the stage of credit," he said, "financial power has grown in China's economic life.

"Banks will play the central role and can be used as a forceful means to control economic development."

However, Liu advocated that a monopoly of a few big central banks should not be allowed any longer.

The cries of a lack of funds have become the universal pretext for failure to complete many projects. This serious situation can only be helped by developing diversified financial services and markets, according to Liu.

Liu urged that rural and urban credit co-operatives, stock markets, transportation banks and the like be revived or set up.

"We need to ensure the flow of funds to be possible and smooth. And this flow means beyond any barriers between regions. That way the flow of materials can be brought along," Liu said.

Liu said in his report that a flexible and diversified financial system was urgently needed, through which the raising and use of funds could be further facilitated.

LIAOWNAG AIRS 2 OPINIONS ON PRC ECONOMIC REFORM

HK020911 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 39, 29 Sep 86 p 13

[Article by Wang Yukun (3769 5148 3824) and Chang Qing (1603 3237): "Two Methods of Reform Proposed in Mainland Economic Circles"]

[Text] The economic reforms in China's cities have achieved certain results in streamlining administration and delegating more power to enterprises. Now there are two basic opinions among Chinese economists on how to carry out reform in the future.

The first holds that under the premise of ensuring the state ownership system, interests and responsibilities should be rationally divided between the state and enterprises so as to complete the process of separating operation rights from ownership and to introduce market mechanisms. This will change the means and methods of overall economic management and will help achieve the dual purpose of maintaining an overall balance and enlivening microeconomic activities.

Among people who basically agree with this opinion, there are different viewpoints on the concrete methods. Two typical viewpoints respectively stand for the contract responsibility system and the assets management responsibility system.

The contract responsibility system is welcomed by many large enterprises. It is also an economic form which appeared at the beginning of the reform. It is easy to pursue this system, which can ensure the interests of both the state and the enterprises. However, practice has shown that this system cannot achieve the final goal of the reform. Reform in the field of distribution has gone through the stages of "power devolution, the shortening of enterprise operation periods, and retrenchment," and enterprises still cannot really bear sole responsibility for their profits and losses, or they can bear responsibility for their profits but cannot bear responsibility for their losses.

The main points of the assets management responsibility system include assets evaluation, profits sharing, and division of rights and responsibilities. This system takes the return on assets as the main yardstick in the handling of the relationship between the state and enterprises in income distribution so that the state gained assets can find reliable representation in the enterprises, and the enterprise operation periods can be prolonged. This viewpoint concerning an assets management responsibility system proposes two growing forces which can check each other in enterprises, and it provides many useful ideas. However, deeper study should be made to solve this difficult question: Can enterprise leaders — the personified "capital" — bear the responsibility for the losses incurred by the enterprise, that is, can the opposite forces check each other?

The second basic opinion is that as present reform has not found a way to radically reform the state ownership system, a kind of laborers' individual ownership system can be established first.

People who hold this opinion said that ownership reflects relations between people and objective things. Under the state ownership system, laborers do not really own things, because people do not own anything if things are owned by everyone. Reform should clearly specify "owners." Therefore, they put forward the concept of laborers' individual ownership, under which laborers really own things, or ownership exercised by the state on behalf of the working people is returned to individual laborers. Concretely, in state-run enterprises, the shares owned by individual workers are determined by the work hours contributed by the workers to the enterprise, and "ownership coupons" representing these shares are issued to the individual workers who can earn dividends at the end of each year.

This opinion is original and includes some new ideas. It goes beyond the limits of the old concepts and provides a new angle for people to consider. However, it is still necessary to discuss the feasibility of this opinion.

SEMINAR ON LONG MARCH OPENS IN CHENGDU

OW071925 Beijing XINHUA in English 1520 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) — To mark the 50th anniversary of the Red Army's 12,500 km march (1934-36), an academic seminar on the Long March opened yesterday in Chengdu, capital of Sichuan Province.

According to today's LIBERATION ARMY DAILY, 120 Red Army soldiers and experts in Communist Party history are attending the seminar to study major meetings, battles and events that took place during the Long March.

In addition, the publishing house of the People's Liberation Army has published a number of books to mark the 50th anniversary.

In October 1934, the Central Red Army (the 1st Front Army) withdrew from the central Soviet area on the borders of the Jiangxi and Fujian Provinces, and set out on the Long March. It crossed 11 provinces, 18 mountain ranges and 24 rivers to joint forces with the local Red Army in northern Shaanxi Province in October 1935. The Long March ended in October 1936, when the 4th Front Army joined forces with the 1st Front Army.

PILOTS FROM TAIWAN JOIN NONCOMMUNIST PARTY

OW071323 Beijing XINHUA in English 1302 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Three returned Taiwan pilots have been admitted into the Revolutionary Committee of the Chinese Kuomintang (RCCK), one of China's eight non-communist parties.

The pilots, Wang Xijue, Huang Zhicheng and Li Dawei, became members after the party's Beijing Branch unanimously accepted their applications in a recent meeting.

As members, they said they wish to do more toward the reunification of the motherland.

Wang is deputy director and deputy chief pilot of the Beijing Regional Administration of the Civil Aviation Administration of China (CAAC), while Huang, a deputy department director in charge of military school affairs of the Airforce Headquarters of the Chinese People's Liberation Army. [sentence as received] Li is deputy commandant of a People's Liberation Army Aviation Academy. They flew their planes to the mainland after 1981.

The RCCK was founded in 1948 by a group of democrats in the Kuomintang and joined by patriotic and democratic elements closely related with Taiwan.

PLA UNIT COMPLETES WORK ON NUCLEAR 'COLLIDER'

OW080228 Beijing XINHUA in English 0203 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- A nuclear physics team from the Chinese People's Liberation Army (PLA) last Sunday submitted important data for the construction of an electron-positron collider, advanced equipment for China's high-energy research.

The team has succeeded in measuring the coordinates needed in the construction of the collider, which began in October 1984 at the Beijing High-Energy Physics Institute. It will be used in research and experiments, mainly to help discover new fundamental particles.

MINISTER LI XUE ON DEVELOPING SPACE INDUSTRY

OW080724 Beijing XINHUA in English 0657 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- China will redouble its efforts to develop its space industry and continue to strive to be in the lead in this field, Astronautics Minister Li Xue said here today.

Minister Li said, "China has launched 18 earth satellites in the past 17 years and will continue to keep up the momentum in the future."

He made these remarks at a meeting to celebrate 30th anniversary of the founding of China's astronautics industry, which has drawn worldwide attention since it was announced that China is in the international market offering satellite-launching services.

"China will also make great efforts to develop and manufacture practical satellites to serve the urgent needs of the national economy," he said.

He said that China will concentrate efforts to study and manufacture an advanced new system of weapons to be prepared against a war of aggression.

At the same time, he added, Chinese specialists will closely watch the international space industry and promote research in new technology so as to make technological advances for further development in the 21st century.

To accomplish this, he said, his ministry will push forward international cooperation and import advanced technology while providing better material and technical conditions and training a new generation of space specialists.

Reviewing the agency's past history, he said, China's first rocket research organiztion was founded 30 years ago. "Chinese specialists have worked with a will to independently develop and manufacture satellites and rockets after overcoming difficulties caused by other countries trying to block China's acquisition of the latest technology."

China's astronautics industry entered a new stage of development and achieved remarkable success since 1979, when the Chinese government adopted new economic policy, he pointed out. It did this by:

-- Launching a long-range rocket into the Pacific Ocean in May 1980;

-- Launching a solid-fuel rocket from a submarine in October 1982;

-- Launching an experimental communications satellite in April 1984; and

-- Launching a telecommunications and broadcasting satellite in February 1986.

Up to now, China has launched 18 satellites of different types in the past 17 years, and Chinese technology has reached a high standard in building, launching, controlling, observing and recovering satellites and making low-temperature fuel rockets.

Minister Li said China's astronautics industry has developed for the Chinese Armed Forces strategic and tactical missiles, and thus made valuable contributions to national defense.

At the same time, the industry has manufactured different kinds of carrier rockets capable of launching satellites into different orbits. It also provides a launching service for foreign clients.

Thanks to its economic development over the past 30 years, China has established well-equipped research, development, production and testing bases, Minister Li said.

YANJING THEOLOGICAL SEMINARY OPENS IN BEIJING

OW071914 Beijing XINHUA in English 1525 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) — The Yanjing Theological Seminary in Beijing has selected its first group of 67 students from all walks of life across the country, an official of the seminary told XINHUA today.

The seminarians are aged between 18 and 37 and used to be workers, peasants or teachers in 10 cities and provinces.

The seminary was established jointly by Christian associations in north and northwest China, he said. The purpose is to train a new generation of patriotic clergymen.

The students will take 70 percent of religious courses and 30 percent of cultural course, some of two years and some of four years.

XI ZHONGXUN MEETS MINORITY YOUTH DELEGATION

OW071250 Beijing XINHUA in English 1232 GMT 2 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, met with a minority nationality youth delegation here this afternoon.

The delegation is made up by 150 minority youths coming from the country's five provinces and five autonomous regons. They represent 40 minority nationalities.

There are 55 such nationalities in China.

The purpose of organizing the delegation, an official of the State Negotiating Affairs Commission said, is to give these minority youths a chance to acquaint themselves with the experience of the inland provinces in the economic reform so as to promote the economic development of the areas they live in.

The members of the delegation gathered in Beijing on September 29.

They took part in the National Day celebrations and visited a number of factories and colleges.

The delegation will leave Beijing tomorrow for Tianjin, Hangzhou, Wenzhou and Shanghai.

OFFICIALS WELCOME LAST OF RETURNING ATHLETES

OW061953 Beijing XINHUA in English 1619 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- A rousing welcome and a big basket of flowers greeted the 279 Chinese athletes when they came back here today from the 10th Asiad in Seoul.

The squad is the last group of the Chinese sports delegation to the Seoul Asiad at which the Chinese athletes gained 94 gold, 82 silver and 43 bronze medeals.

At a welcome ceremony, Rong Gaotang, secretary-general of the Central Advisory Commission, and Li Menghua, minister of the state physical culture and sports, paid glowing tribute to the arrivals.

Li said that the Chinese athletes have shown their impressive skills and proficiency at the just-ended Asiad. He encouraged them to make still greater efforts and scale new heights.

Yuan Weimin, head of the Chinese Sports Delegation, said that every gold medal won came after keen tussle and with great efforts. "We should never be conceited," he said, "for we still lag behind some of the events."

SONG JIAN REMARKS ON TECHNOLOGICAL MARKET CENTER

OW061406 Beijing XINHUA in English 1307 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- To speed up China's economic development, the China Union for Technological Market Development was founded here today.

"The trans-departmental union consists of market development units affiliated to China's ministries and commissions, and is a concentration of the technological force in China's science research, education and industrial departments," an official of union said.

"The purpose of the union is to concentrate technological strong points of different departments to better serve those who are in need of assistance through the market so as to meet rapid economic development." he added.

The union's services include matters related to science and technological imports, regional technological economy development, technological transfer to China's township industries, providing technological consultation and service to both foreign and domestic firms and any other business related to the technological market.

Song Jian, state councillor and chairman of the Chinese Science and Technology Commission, said "The weakness of many of China's enterprises in absorbing new technology was because they were not united, providing no channels for introducing technology to industrial departments".

"This has hindered China's economic reform." Song said. He hoped the founding of the union would make a contribution in promoting the union between technology and economy.

WRITERS MARK ANNIVERSARY OF LU XUN'S DEATH

OW061256 Beijing XINHUA in English 1244 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- The literary legacy of Lu Xun has been a major force in the development of the country's literature since the 1949 liberation, members of the Chinese Writers Association said today.

At a seminar marking the 50th anniversary of the death of Lu (1881-1936), widely considered China's finest 20th century writer, participants said he had fought feudal remnants in Chinese society and had made a major contribution to the liberation of the Chinese people's minds.

Tang Dacheng, a critic and a leading member of the Writers Association, called Lu a pioneer in modernizing China's culture for writing his 1918 novel, "A Madman's Diary" in everyday language -- as opposed to classical Chinese.

A revolutionary as well as a writer, Lu left more than 1,000 essays, stories and articles, more than 1,400 letters and over 20 years of diaries. He also translated the writings of nearly 100 authors from 14 countries.

FANG YI OPENS BEIJING RARE EARTH EXHIBITION

OW060412 Beijing XINHUA Domestic Service in Chinese 1320 GMT 5 Oct 86

[By reporter Xu Kehong]

[Excerpts] Beijing, 5 Oct (XINHUA) -- A national exhibiton of rare earth products opened in Beijing today. More than 500 products from enterprises in various localities at the exhibition have shown people the abundant achievements of our country in the research, production, and use of rare earth.

The new products at the exhibition are being used in metallurgical, petrochemical, glass, pottery and porcelian, electronic, light, and textile industries. They have proved that rare earth is being widely used in China's national economy. [passage omitted]

State Councillor Fang Yi cut the ribbon at the opening ceremony.

Zhao Ziyang Attends

OW070244 Beijing XINHUA in English 0211 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Premier Zhao Ziyang called for making good use of China's rare earth resources after visiting an on-going national rare earth exhibition here yesterday.

He said, "The utilization of rare earth has a bright future. We must make full use of our country's rich rare earth resources and our first priority should be our domestic market."

While visiting the exhibition, the premier specifically investigated rare earth development at home and abroad.

He said, "The understanding and estimation of the rare earth industry must be practical and realistic. Attention should be given to the economic result of rare earth use, an particularly reduction of production costs."

The exhibition, which opened here Sunday, shows that rare earth is not only useful in the metallurgical, machine-building, petrochemical, glass and porcelain, electronics, textile and building material industries but also in the production of daily necessities and agriculture.

Rare earth is a group of 17 metallic elements used mainly as agents for processing steel and iron and in petrochemical products. Once thought to be only trace elements, rare earth has been discovered in abundant quantities throughout the world.

China's rare earth industry has come of age, offering more than 400 types of products, next only to the United States, according to an exhibition official.

TIAN JIYUN INSPECTS NEI MONGGOL LEAGUE

OW070638 Beijing XINHUA Domestic Service in Chinese 0709 GMT 6 Oct 86

[By reporter Cui Lisha]

[Text] Beijing, 6 Oct (XINHUA) -- While hearing a briefing on Nei Monggol's animal husbandry after inspecting its Hulun Buir League recently, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, stressed: In pastoral areas, it is necessary to persistently carry out reforms and guide animal husbandry using the concept of commodity economy to bring about economic prosperity in these areas, to increase herdsmen's income, and to contribute more to society.

Tian Jiyun said: Our country has had made relatively large development in animal husbandry in recent years. However, the level in this regard remains low and is not stable enough; animal husbandry is still a weak link in agricultural development. With the development of the national economy and the improvment in people's living standards, the demand for livestock products has continually increased. It is therefore necessary to implement the principle of making vigorous efforts to develop animal husbandry and to gradually increase the proportion of animal husbandry in agriculture. He said: Our country has favorable natural conditions for developing animal husbandry. Our vast pastoral areas are important bases for breeding herbivorous animals, and we must make full use of such favorable conditions. We should guide animal husbandry using the concept of commodity economy, to develop it to the maximum.

In view of the actual conditions in Nei Monggol's pastoral areas, Tian Jiyun expressed six points of view on the development of the livestock economy:

1. It is necessary to further arouse the enthusiasm of large numbers of herdsmen.

The system of livestock breeding on a household basis should remain relatively stable and should be gradually improved. Corresponding economic measrues should be adopted to encourage herdsmen to breed more animals and to sell more of them in order to increase their income.

2. Efforts should be made to increase the percentage of marketable products and economic results. This is the key to developing animal husbandry, bringing about economic prosperity in pastoral areas, and increasing herdsmen's income. It is necessary to step up the building of bases for livestock commodity products and to vigorously develop households specializing in animal husbandry. Efforts should be made to engage in animal husbandry on an appropriate scale, and to provide good service before, during, and after the production process. The quantity and quality of livestock should be simultaneously raised, and the composition of livestock should be improved. An assessment of animal husbandry should be based mainly on the percentage of marketable products and economic results.

3. Vigorous efforts should be made to develop grasslands. This is a basic condition for the development of animal husbandry, and we must develop grasslands as a major task. It is necessary to conscientiously implement the "Grassland Law" and strengthen the protection, management, and development of existing grasslands. At the same time, vigorous efforts should be made to plant grass in order to solve the problem of excessive grazing on grasslands, without paying attention to developing them, and to bring about a big development in this regard. The herdsman, the collective, and the state should make concerted efforts to cultivate grasslands, and a fund should be raised in a proper, systematic way to restore, cultivate, or develop grasslands. Thus, it will be possible to have a relatively reliable fund for grassland cultivation.

4. It is necessary to vigorously promote the scientific breeding of livestock. In developing animal husbandry, we must rely on policy and science as we have done in developing agriculture. Promoting the scientific breeding of livestock is an extremely important condition for a vigorous developing of animal husbandry in the near future, and for a long time to come. It is essential to proceed from reality, to change outmoded, traditional ways in production and management, to vigorously improve the variety of grass and the breeds of livestock, and to do a good job of processing feed in a scientific way.

5. It is necessary to implement correct buying and selling policies and to unclog the channels of circulation of livestock products. It is essential to continue to act in the spirit of relaxing restrictions and being flexible, to vigorously develop various economic forms and a network for the circulation of products at various levels and with many channels. The barriers between regions should be removed in order to smooth the circulation of livestock. In purchasing products, one should use not only administrative, but economic means and give consideration to the interests of both the state and the herdsman. Thus, it will be possible to purchase raw materials and process them into livestock products for local people and to supply surplus products to other areas.

6. Vigorous efforts should be made to develop lateral economic ties. To bring about economic prosperity in pastoral areas, we cannot "concentrate on one thing only", but should develop a diversified economy. Livestock products should be processed according to local conditions. For historical reasons, the economy and technology in pastoral areas are rather backward. It is therefore necessary for the pastoral areas to open themselves to other areas, to introduce advanced technology, and to form economic ties with other areas in order to learn from other areas' strong points to offset their weaknesses.

In opening to the outside, the pastoral areas should first open themselves to the interior of the country; vigorously develop various forms of economic association between regions, between animal husbandry and industry, and between animal husbandry and agriculture; and introduce the qualified personnel, technology, funds, and advanced managing methods they need, in order to accelerate their economic development.

HONGKONG STANDARD PUBLISHES TIAN JIYUN PROFILE

HK060533 Hong Kong HONGKONG STANDARD in English 6 Oct 86 p 8

[Text] Few people outside China know that one of the two "contenders" for premiership in the Chinese government, now held by Mr Zhao Ziyang, started out in life as a factory apprentice.

That man is Mr Tian Jiyun, 57, vice premier, a member of the Political Bureau, the country's highest policy-making body, and the official who gave positive affirmation that the current economic reforms are "on track".

Since top leader, Mr Deng Xiaoping initiated the open-door policy, Mr Tian has been the propelling force behind the drive "to reinvigorate its national economy and to open its doors to the outside world."

In late 1984, in a bid to streamline China's foreign trade system, Mr Tian put forward the following principles: Separation of political and business functions in enterprises; setting up of agencies to handle foreign trade; better co-ordination between industry and trade, between technology and trade, and between imports and exports.

But the following year spiralling inflation caused a public outcry and he toured the major cities to find out what went wrong.

Then, in a lengthy report to leading cadres from all over the country, he reiterated that ongoing reforms would continue and assured party men that the changes would not result in capitalism.

To guarantee this, he laid down these guiding principles:

-- All production materials must be state-owned.

-- Wealth must be achieved on the basis of "to each according to his work" (contrary to the Marxist-Leninist tenet "to each according to his needs").

-- Development of a planned economy.

-- All reforms must be aimed at raising productivity by the whole society.

-- There must be coordination and balance between reforms and economic reconstruction.

Other suggestions he made included: Making it clear that present reforms are a slow process; achieving a proper balance between overall economic control and economic freedom, and guidance instead of suppression to deal with conflicts arising from the reforms.

Mr Tian, however, dealt with all these on an abstract basis, offering no substantial solutions to specific grievances raised by the public.

Mr Tian is from a family of veteran revolutionaries in Feicheng County, Shandong. He began as an apprentice and went on to work as a factory hand. He did not join the party until 1945 when he was already 41 years old.

Mr Tian's displayed his talents during the war against the Japanese when he organised civilian war service to support the frontline. Later, he led stretcher teams and directed agrarian reforms during the Civil War.

He was soon holding key posts in various committees dealing with agrarian reform, military control, cadre-training and planning and finance.

In 1947, Mr Tian began a year-long course on business accounting and financial management before being appointed in charge of the Army's accounts.

After that he was posted to various places, always in charge of business management and economic affairs. It was here that Mr Tian gained invaluable experience for his role in the party hierarchy.

In 1982, Mr Tian was appointed to the 12th Central Committee. He has, since then, moved up every year and is now vice premier.

He is regarded as a protege of the 67-year-old premier, Zhao Ziyang.

CONSUMERS MORE AFFLUENT, MORE DEMANDING

OW080808 Beijing XINHUA in English 0718 GMT 8 Oct 86

["News analysis: Chinese Consumers More Affluent, More Demanding" -- XINHUA headline]

[Text] Beijing, October 8 (XINHUA correspondent Sheng Zuren) -- for half an hour, Zhai Hao went back and forth and scouted around. He was looking at color televisions in the Xidan Department Store, one of Beijing's largest. The prices ranged from 990 to 1,670 yuan (267 to 450 U.S. dollars).

"Imports cost more, but beyond that it all depends on the quality of the set and the size of the screen," a salesperson told Zhai, a 35-year-old truck driver who takes home 120 yuan (32 dollars) a month. Zhai knew he would have to pay cash for the television -- China has yet to use installment buying to spur sales.

In the end, he traded two years of his family's savings for the 1,670-yuan model, a 20-inch Japanese set people say is the finest you can buy.

"I've been thinking about getting a color TV for a while now to replace my black-and-white," he said. "So I decided to go for the best. I know it costs more, but I don't want to buy something we won't be happy with."

Several blocks away in the Dongfeng Department Store, the manager was trying to calm customers irate that the store had no more vacuum cleaners.

"We had 250 of them," he told a reporter. "But they sold out in four days."

In Chengdu, capital of Sichuan province in southwest China, a store manager said her shop has not been able to buy enough double-tub washing machines to keep up with local demand.

"Dozens of people come in here every day holding 500 yuan (135 dollars) in their fists, eager to buy the machines, but I just can't get them fast enough from the supplier."

"Everywhere I look people are scrambling to buy big-ticket items," an official of the Ministry of Commerce said last week. "People are buying products they didn't dare dream of a decade ago. They think they are essential to a better way of life."

Although China's people remain poor by the standards of the developed world, most are far more affluent than they were before the economic reform began to enliven the economy in the late 1970s.

For example, in 1985 the average per capita income for China's 800 million rural residents was 397 yuan (107 dollars), up 68.5 percent from 1980, after taking inflation into account. The more than 200 million urban residents had a per capita income of 752 yuan (203 dollars), up 34.5 percent after inflation.

National bank officials say 200 billion yuan (54 billion dollars) of savings and increased income has been deposited in individual accounts. "But lots of people like to carry their money with them," one official said. "So it seems there are billions and billions more yuan out there."

In response to changing demand, central government authorities have begun easing certain price controls. As a result, prices have gone up for popular bicycles and are expected to fall for black-and-white television sets, for which demand has been falling.

How much the standard of living of China's people has changed can be seen from the shift in goods considered the mark of the comparatively affluent. In the 1960's, they were watches, sewing machines and bicycles. Now they are the "four bigs" -- color televisions, double cassette tape recorders, double-door refrigerators, and double-tub washing machines.

Color television sales in the first half of this year rose 50 percent over 1985 while refrigerator sales for the period rose 45 percent, according to the State Statistics Bureau.

Among the appliances in demand this year are electric massagers, vacuum cleaners and rice cookers, products generally unknown in China at the beginning of the decade.

Housing, public transportation and health care are available to most Chinese at nominal cost, leaving them free to spend their rising incomes on consumer goods. And once people have purchased the "four bigs," they begin looking for other products to buy.

"Nightgowns and pajamas, wallpaper and carpets will be the products to watch over the next five years," said an official of the Ministry of Commerce. "For whatever reason, people associate them with the good life."

At the same time, he said, "people who can put the money together will start thinking seriously about buying cars, which will be available for about 10,500 (2,835 dollars)."

Manufacturers have revved up production in line with rising consumer demand. During the first seven months of this year, they increased output by as much as 55 percent of such products as televisions, cassette recorders, cameras, electric fans and refrigerators, compared with the same period in 1985.

But some brands and models have developed reputations for inferior quality, and in some cases -- such as electric fans -- officials have discovered that the high demand of 1985 was more a sign of market saturation than of good prospects for future sales.

In these cases, excess goods remain stockpiled in warehouses, while stores turn away prospective buyers of products in demand.

Several factory managers whose goods have not been selling refused lask week to take the blame for the unsold products. They said the Ministry of Commerce is at fault.

"It's the job of people in the ministry to find outlets for our goods," said one manager, who agreed to be quoted provided he was not identified. "Why don't they try to sell the goods in the countryside where there's great untapped buying power?" asked another.

But ministry officials countered that what these and other factory managers want is for the ministry to palm off inferior goods to unsophisticated buyers.

"That's something we will not do," said one official. "The main reason their goods won't move fast is that their minds are slow. They can't figure out how to make the quality products people are willing to spend their hard-earned savings to buy."

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HEILONGJIANG PARTY OFFICIAL ON IMPROVING STYLE

SK070714 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 6 Oct 86

[Text] At a meeting of secretaries of leading party groups of various commissions, offices, departments and bureaus of various provincial-level organs and directors of offices in charge of improving party style which was held on the afternoon of 6 October, Zhou Wenhua, deputy secretary of the provincial party committee, said: It is necessary to firmly fulfill the task of achieving a fundamental turn for the better in party style on the part of the provincial-level organs by the end of this year.

The meeting was presided over by Wang Fei, secretary of the provincial Discipline Inspection Commission. Zhang Wenxia, deputy secretary of the provincial Discipline Inspection Commission, relayed guidelines of the forum on improving the party style of various provinces, municipalities, and autonomous regions.

Zhou Wenhua put forward specific demands on how to enable the provincial-level organs to implement the guidelines of the forum sponsored by the central authorities on improving the party style of various provinces, municipalities and autonomous regions and to achieve fundamental improvements in the party style of the provincial-level organs.

After analyzing the current situation in the provincial-level organs' party style, he said: It is true that improving party style is a long-term task. Like other government work, it needs long-term plans and plans to be carried out at each and every stage. New demands should be set in each and every month and year and new progress should also be made. Therefore, all departments and units should comprehensively review the work of improving party style in the past 8 months through studying the documents of the Sixth Plenary Session of the CPC Central Committee and the directives of the central authorities on improving party style, and should conscientiously conduct comparison and examination. We should grasp this work firmly. At present, we have to undertake the work of this year and the next. In order to make reform successful and to vitalize the economy, all departments and units should make unified planning and overall arrangements for all fields of work, integrate the work organically, and grasp the major points.

Comrade Zhou Wenhua said: In line with the demands of the central authorities urging the leading organs and leading cadres to take the lead in checking malpractices in various trades and professions, our next step of work is to eliminate those professional guidelins that lead to malpractices in various trades and professions. In strengthening education on party style, we should check bureaucratism, individualism, and liberalism. While investigating and handling major and appalling cases, we should adopt effective measures to handle them accurately and rapidly.

Comrade Zhou Wenhua stressed: The work of investigating and summing up the improvements in party style must meet the high standards and rigorous demands. All units which have undergone investigations and proven up to the requirements can only be considered as units which have attained the present objective and have laid a good foundation for the long-term building of party style in the future. Therefore, all units which have attained the ten requirements and are generally acknowledged by the masses should formulate plans for consolidating and developing the achievements in improving party style. He expressed hope that leading comrades at all levels will futher strengthen leadership, make comprehensive plans and arrangements, persist in grasping the work firmly, strengthen conficence, and strive to futher realize fundamental improvements in the party style of provincial-level organs.

JILIN SECRETARY ATTENDS UNIVERSITY CELEBRATION

SK060215 Changchun Jilin Provincial Service in Mandarin 1030 GMT 5 Oct 86

[Text] On the morning of 5 October, the gymnasium of Changchun City resounded with a burst of drumbeats, music, and thunderous applause, in which more than 4,000 persons, including professors, staff members, workers, and alumni of Jilin University, as well as visitors, happily got together to mark the 40th anniversary of the university's founding.

Over the past 40 years, the university founded by the CPC has turned out almost 10,000 outstanding experts for the state, who have both ability and political integrity, and trained more than 1,600 personnel with improved professional and political quality, including teachers, staff members, and workers.

Attending the anniversary celebration as guests were representatives from the 37 higher eductional institutions and 6 scientific research units throughout the country and representatives from colleges and universities of the United States, Japan, Canada, and other couintries.

Also attending the celebration were He Dongchang and Wang Mingda, vice minister of the State Education Commission; Gao Di, secretary of the provinicial party committee; Gao Dezhan, governor of the province; Wang Zhongyu, deputy secretary of the provincial party committee; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Liu Jingzhi, chairman of the provincial CPPCC Committee; Zhang Shiying, vice chairman of the provincial Advisory Commission; Liu Yunzhao, vice governor of the province and chairman of the provincial Education Commission; (Xu Changchun), acting director of the Propaganda Department under the provincial party committee; Wu Yixia, secretary of the Changchun City party committee; and Wang Jiatong, mayor of Changchun City.

At the celebration He Dongchang and Gao Di delivered speeches. (Tang Yaming), former president of the Jilin University, and Tang Aoqing, honorary president of the university, also delivered speeches.

JILIN HOLDS MEETING ON SPIRITUAL CIVILIATION

SK070211 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Oct 86

[Text] On the morning of 5 October, the povincial party committee held an enlarged Standing Committee meeting to relay and study the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, calling for efforts to study, in a down-to-earth manner, the CPC Central Committee's resolution on guiding principles for building the socialist spiritual civilization

Principal leading comrades of the provincial Advisory Commission, the provincial People's Congress, the provincial Discipline Inspection Commission attended the meeting. Comrade Gao Di and Gao Dezhan respectively relayed the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, and the important speeches of central leading comrades delivered during the session. Comrades participating in the meeting held discussions on them. They held: The 6th Plenary Session of the 12th CPC Central Committee was a very important session.

The resolution on the guiding principles for building the socialist spiritual civilization adopted at the session, based on the principle of integrating the fundamental tenets of Marxism with the practice of China, further expounded on the strategic position, basic tasks, and basic guiding principle of building the socialist spiritual civilization, and was a programmatic document for strengthening the building of our country's socialist spiritual civilization in the new historical period.

The meeting pointed out: In line with the requirements of the session, it is necessary to conscientiously study the resolution, understand its guidelines, and strive to master it and apply it proficiently by combing theory with practice aso as to enhance and unify understanding. At present, focus should be placed on the study of leading cadres at various levels, in particular, cadres of the provincial organs, and those of propaganda, culture and education departments. They should study ahead of others and more throoughly so that they can organize and lead the cadres and people throughout the province to study and carry out the guidelines of the resolution. Party committees and propaganda departments should do a good job in training backbone personnel, and write and compile some materials to explain and expound on the resolution. Party committees and governments of all localities should work out plans and measures for implementing the resolution and strengthening the building of the spiritual civilization after conducting thorough study, investigations and research. Study and propaganda should be carried out in a down-to-earth manner, and should yield actual results.

JILIN PEOPLE'S CONGRESS HOLDS FORUM ON ELECTION

SK070914 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Oct 86

[Excerpts] The provincial People's Congress Standing Committee held a forum on the work of people's congresses on 27 and 28 September. Responsible comrades from city and autonomous prefectural People's Congress Standing Committees and the Baicheng Prefectural Office attended the forum to exchange work experiences, study issues of common concern, and establish specific requirements on the election of deputies to the next county and township people's congresses.

The participating comrades maintained that since March of this year when the provincial forum on People's Congress work was held, party committees, people's congresses and governments at all levels have thoroughly implemented the central directives on safeguarding the socialist legal system and the guidelines of the People's Congress work conference held by the provincial party committee. Party committees have further strengthened leadership over the work and encouraged people's congresses to exercise their powers and duties according to the law, thus enabling new progress. The People's Congress Standing Committees of various localities have strengthened their legal supervision over the people's governments, the People's Courts, and the People's Procuratorates at their corresponding levels; intensified investigations and study to continously improve their ability to discuss political affairs at meetings; maintained closer ties with deputeis; understood and reported deputies' suggestions, criticism, and opinions through various measures to give play to the role of deputies; and strengthned their organs by paying attention to improving cadres' political and professional proficiency so that the cadres can help in the exercise of the powers and duties of the standing committees according to the law. [passage omitted]

The forum set forth specific requirements on the election of deputies to the next county and township people's congresses to be carried out during the coming winter and spring. It pointed out that for the elections, due to a decrease in their number, deputies are requried to have attained a certain education level and possess the ability to discuss political affairs and carry out their activities. Concerning the composition of deputes, the number of cadres shoud be reduced, and those from grass-roots units and minortiy nationalities and woman should be taken into account so that deputies represent all circles.

Elections in some disaster areas may be postponed to January or February of next year.

At the end of the forum, Zhao Xiu, chairman of the provincial People's Congress Standing Committee, gave a speech on the situation in the People's Congress work, supervision according to the law, contacts with deputies, the election of deputies to the next county and township people's congresses, and self-improvement.

GAO DI ATTENDS THIRD JILIN SCIENCE CONGRESS

SK070925 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Oct 86

[Excerpts] The third congress of the provincial scientific and technological association opened ceremoniously at the auditorium of Changchun's provincial guesthouse on the morning of 6 October. Regular delegates to the congress totalled 354, and specially invited delegates totalled 35. Attending the congress were responsible comrades of the provincial party committee, the advisory Commission, the People's Congress, the government, the CPPCC Committee, and the Discipline Inspection Commission, including Gao Di, Gao Dezhan, Wang Zhongyu, Zhao Xiu, Liu Jingzhi, Zhang Shiying, Xiao Chun, Li Yaquan, and Liu Shulin. Wu Jieping and Wang Daheng, vice chairmen of the National Scientific and Technological Association, attended and delivered speeches. He Yunqing, vice chairman of the provincial scientific and technological association, presided over the congress.

[Begin He Yunqing recording] The Third Congress of the Jilin Provincial Scientific and Technological Association is now open. [end recording]

Tang Aoqing, vice chairman of the National Scientific and Technological Association, gave an opening speech. Wang Zhongyu, deputy secretary of the provincial party committee, also spoke.

[passage omitted]

Comrade Wang Zhongyu stressed: Departments at all levels should fully boost the socialist enthusiasm of the masses of scientific and technological workers and provide the conditions necessary for them to open up a splendid future.

Comrade Wang Zhongyu concluded: Comrades, the masses of scientific and technological workers living in the vast Jilin Province shoulder an unshirkable historical responsibility for building and developing Jilin. Although our economic foundation and strength are rather weak, and the pace of our advancement is not fast enough, we have industrious people, abundant natural resources, and a firm industrial foundation, therefore our potential is great. With the guidance of the party's correct principles, Jilin Province will achieve a great leap, and as long as we work diligently with one heart and one mind, Jilin is sure to achieve a great leap. This arduous task opens a wide prospect for the masses of scientific and technological workers to realize their ambitions. The provincial party committee and government urge the masses of scientific and technological workers to work together with the people throughout the province to overcome the present temporary difficulties, arouse their spirit, struggle arduously, work in a down-to-earth manner and in close coordination, and actively plunge into reform to compose still newer and more beatiful chapters.

(Fang Chuanliu), vice chairman of the provincial Scientific and Technological Association, gave a work report on behalf of the previous committee. He summed up the work of the provincial Scientific and Technological Association carried out over the past 6 years and called for efforts to further clarify the situation and tasks in the future and shoulder the heavy historical task as a mass scientific and technological organization.

LIAONING VILLAGE-LEVEL RECTIFICATION TO BEGIN SOON

SK040630 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Oct 86

[Text] Our province will soon comprehensive carry out village-level party rectification in the rural areas. About 17,000 party branches and 500,000 party members will participate in the rectification work, the scale of which will be the largest ever in the province's previous party rectification.

Through carrying our experimental work in village-level party rectification, all localities have summed up different kinds of typical cases and provided many good experiences for the comprehensive unfolding of village-level party rectification. The party committees and the party rectification offices of the province and various cities, counties and townships have dispatched more than 12,000 party and government cardres to the rural areas to help in party rectification work. After short-term training, these cadres now have gone to villages.

LIAONING SECRETARY'S WRITES ON RESPECTING TEACHERS

SK020315 Shenyang LIAONING RIBAO in Chinese 17 Sep 86 p 1

[Article by Quan Shuren, secretary of the Liaoning Provincial CPC Committee: "I Must Say a Few Words, Too"]

[Text] The news of "a primary school teacher's misfortune" carried by LIAONING RIBAO shocked the people. As a reader, I greatly sympathize with the misfortune of Hu Yingnian, the teacher, and his family members. I would like to take this opportunity to say a few words.

We cannot tolerate the fact that the people's teacher suffers humiliation in socialist China of the 1980's and at present when we are carrying out the reform and open work. The local party organization, government and judicial department should interfere in the cases related to seriously violating a teacher's personal rights and interests.

It is worth pondering over the fact that we failed to timely and justly deal with such a tragic case in which a primary school teacher living in a hilly area was repeatedly beaten and cursed for a year or so and his wife was forced at last to commit suicide. This accident tells us again that the practice of "respecting teachers and stressing education" has not been formed yet in some areas and departments throughout the province, and that the outdated feudalist idea of despising knowledge and talented persons has taken root among some people. The misfortune of teacher Hu Yingnian's families is a typical indication of some areas' and units' ignorance and backwardness. The people there do not fully understand the facts that the key to making a success in the four modernizations primarily depends on talented persons; talented persons are cultivated through developing educational undertakings; and the key to developing educational undertakings lies in teachers. They also do not understand the facts that teachers are the ones who initiate spreading modern science and general knowledge; hilly areas must eliminate illiteracy first in order to eliminate illiteracy; and they must respect teachers before stressing education. So, it was impossible for them to place teachers at a right social position. On the contrary, they were not concerned about the weal and woe of people. No public indignation was aroused even when a teacher was repeatedly bullied and humiliated. The people there lack distinct viewpoints and attitude.

"The case of Hu Yingnian" indirectly reflects the fact that the rural areas throughout the province, in particular, the vast hilly areas, have neglected the development of educational undertakings and have showed indifference to teachers. Some areas did not enthusiastically solve the problems related to educational undertakings, some did not make investment in the educational undertakings that should have been developed, while some did not timely solve the problems related to teacher's working conditions and livelihood. What is worse is that a situation in which "schoolhouses are the most dilapidated houses and teachers' families are the poorest" is emerging in some areas. Their backward educational undertakings have seriously affected the economic development and the improvement of the people's livelihood. This is the key reason for their failure for a long time to change the improverished and backward situation.

For this reason, I suggest that we conscientiously and clearly investigate the serious situation of destroying Hu Yingnian and his families, and deal with those who are responsible for this case in accordance with the law. Simultaneously, all localities and departments concerned should draw lessons from this case, draw inferences about other cases from this case, make comparison and examination about the situation of implementing the work of respecting teachers and stressing education, and make efforts to solve practical problems for teachers. Party and government leaders at all levels should be willing to serve the development of educational undertakings, go deep into the masses to extensively disseminate the great significance of the work of respecting teachers and stressing education, clean up the filth left by the feudalist society, eliminate the ignorant outdated and corrosive ideas, and foster new ideas of respecting knowledge and teachers and new social practice of respecting teachers and stressing education.

FAMILY PLANNING RELAXED FOR NINGXIA MINORITIES

OW080222 Beijing XINHUA in English 0157 GMT 8 Oct 86

[Text] Yinchuan, October 8 (XINHUA) -- Ethnic minority people, returned Overseas Chinese and miners in the Ningxia Hui Autonomous Region may have up to three children per family, a regional official said here today.

This stipulation was made recently by the Standing Committee of the regional People's Congress in line with the autonomy granted under the Constitution, the state family planning policies and the actual conditions of the region.

According to China's general population policy, people are encouraged to have one child per family, but young couples who belong to ethnic minorities, who were raised as single children, or one of them is a returned Overseas Chinese, miner or handicapped person may have two children.

Peasants in the rural areas of Ningxia may also have two children and ethnic minority people in mountainous areas, three children if they wish.

Ningxia is the largest region in China inhabited by the Muslim Huis, who account for one-third of the region's population of more than four million.

To encourage families to have only one child each, the regional government is giving first priority to such families in employment, school entrance and housing.

QINGHAI PARTY SECRETARY VISITS BEIJING STUDENTS

HK071133 Xining Qinghai Provincial Service in Mandarin 2330 GMT 3 Oct 86

[Text] When attending the 6th Plenary Session of the 12th CPC Central Committee, Yin Kesheng, provincial party committee secretary, went to the Central Party School to call on students from Qinghai.

Yin Kesheng briefed the students on the basic spirit of the 6th Plenary Session of the 12th CPC Central Committee and held heated and extensive discussions with the students. He said: the basic spirit of the 6th Plenary Session of the 12th CPC Central Committee can be summarized as one center and three adherance. The one center means we must do everything centering on reforms, and three adherance means adherance to reform of the political structure, adherance to reform of the economic structure, and adherance to the building of socialist spiritual civilization.

Yin Kesheng also briefed the students on Comrade Hu Yaobang's second inspection visit to Qinghai and his important speech delivered in Qinghai, and encouraged the students to treasure the opportunity of study and to study more problems so that they can work better after returning to Qinghai.

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LIAOWANG ON 'SKIRMISH' PRIOR TO U.S.-USSR SUMMIT

HK080959 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 6 Oct 86 p 26

["Special dispatch" from Washington by Shi Lujia (2457 7627 0163): "A Skirmish Prior to the U.S.-Soviet Summit"]

[Text] On 30 September, Washington and Moscow simultaneously announced that U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev would hold a meeting on 11-12 October in Reykjavik, the capital of Iceland. The agreement was reached after long consultation between the U.S. and Soviet foreign ministers.

On 19-20 September, the U.S. and Soviet foreign ministers held a 2-day meeting in Washington. They discussed preparations for the proposed second meeting between the two leaders, as well as the relevant issues. The meeting was held at a time when a new storm arose in bilateral relations between the United States and the Soviet Union. In the last 10 days of August, the United States arrested a Soviet working at the UN headquarters on charges of spying. One week later, the Soviet Union arrested a Moscow reporter of a U.S. magazine on charges of spying. Thereupon, citing the excessive size of the Soviet UN delegation as a reason, the United states ordered 25 Soviet diplomats in the Soviet UN delegation to return home within a specified time. This also aroused a strong Soviet reaction. Under these circumstances, the two foreign ministers devoted much time on this issue during their 2-day meeting. President Reagan also had a special meeting with the Soviet foreign minister, personally expressing his "strong dissatisfaction" over the Soviet charge that an American reporter had committed the crime of spying. Soviet leader Gorbachev also delivered speeches, calling on the United States not to create new obstacles for the summit. In their discussions, however, both sides were still unable to find a proper solution. After the meeting, U.S. Secretary of State George Shultz told reporters that before the Soviet Union let the U.S. reporter return home, "it would be unimaginable to hold a fruitful summit meeting."

Though the storm in bilateral relations produced strong repercussions, it was nevertheless only an episode in U.S.-Soviet relations.

The Soviet Union indicated from the start that the second summit should not merely be an occasion for "shaking hands and getting to know each other," as happened last year, and that there should be some concrete results, particularly the signing of certain agreements on arms control. While the foreign ministers were holding their meeting, Soviet leader Gorbachev reaffirmed this stand. The United States did not approve of the Soviet stand on setting a "precondition" for dialogue at the highest level, but it could not but indicate that the meeting should be "significant" and "fruitful." However, although both sides have made numerous efforts since the beginning of this year, they have failed to make a major breakthrough on the disarmament issue.

It is reported that the major obstacle to the disarmament talks is still Reagan's "Strategic Defense Initiative," or the "star wars" program. In his letter to Reagan on 23 June, Gorbachev indicated his readiness to drastically reduce the offensive weapons of the two countries and to allow the United states to conduct research and experiments on "star wars" in laboratories on the condition that the United States must agree to extend the validity of the ABM treaty signed in 1972 by 15-20 years. The treaty prohibits the two countries from "trial producing, testing, and deploying" a nuclear defense system based in space. For this reason, the United States held that Gorbachev's proposal was still essentially aimed at foiling the U.S. "star wars" program and, at the same time, winning time for the Soviet Union to develop its own space defense system.

To counter the Soviet proposal, in his reply on 25 July, Reagan expressed readiness to postpone the deployment of the "star wars" system by 7 and 1/2 years. This appeared to be a concession on the part of the United States. However, according to an estimate by an American authoritative person, this space defense system can be deployed in the mid-1990's at the earliest. For this reason, the Soviet Union held that Reagan's concession did not have any practical significance. In truth, Reagan has also repeatedly and explicitly stated that he would never let the "star wars" program fizzle out through the talks.

The United States also held that the Soviet Union also had it eyes on the "star wars" program when it repeatedly announced unilateral moratoriums on nuclear tests and launched a powerful progaganda and displomatic offensive in an attempt to force the United States to stop the nuclear tests. This is because some components of the space weapons can be made through nuclear tests. It is precisely for this reason that the United States resolutely refused to assume responsibility for suspending nuclear tests.

As for the disputes on some "hot spots" in the world, both sides conducted numerous consultations on the situations in Central America, the Middle East, Afghanistan, East Asia, and southern Africa. However, because the global strategies and fundamental interests of the two countries are fundamentally opposed to each other, they failed to reach any agreement.

In spite of the numerous difficulties and obstacles mentioned above, out of their own needs and pressure at home and abroad, both sides appartently did not want to lightly discontinue to momentum of a high-level dialogue. That is why the meeting of the foreign ministers was still held although it had been postponed for several months and although new tension emerged in the relations between the two countries. Shultz told reporters that, through his 2-day meeting with the Soviet foreign minister, the U.S. side noted the "potential possibility" of making progress on such issues as reducing the number of intermediate-range nuclear weapons in central Europe, setting up centers for reducing the danger of nuclear war, and preventing the proliferation of chemical weapons. He indicated that after the question of the U.S. reporter's arrest was resolved, the United States was still ready to accept Gorbachev's visit. The Soviet side also indicated that although the United States had conducted such a "provocative" act as expelling a Soviet diplomat, the Soviet Union would not lose its reason in the face of the U.S. provocation. Soviet Foreign Minister Eduard Shevardnadze said that the Soviet Union hoped for a meeting and that the 2-day meeting between him and Shultz had, "to a certain extent, laid a groundwork for the holding of a fruitful summit meeting."

A new round of U.S.-Soviet disarmament talks is being held in Geneva. All indications show that given the difficulty for major breakthrough in the two major areas of Geneva disarmament talks -- strategic nuclear weapons and the space weapons -- the United States and the Soviet Union are likely to seek concessions on intermediate-range nuclear weapons ans other, relatively speaking, secondary issues in order to create conditions for continuing dialogue at the highest level.

On the evening of 28 September, Shults and Shevardnadze again held a 3-hour meeting at which they reached an exchange agreement. According to this agreement, the Soviet Union would set free Nicholas Daniloff, an American reporter who had been charged with carrying out spying activities, and the United States would allow Gennadiy F. Zakharov, a Soviet stationed at the United Nations who had been charged with spying, to leave the United States. Later, both sides announced the time and place for a second U.S.-Soviet summit.

However, when making this announcement, Reagan said: My meeting with Gorbachev "will not be a high-level but only a face-to-face meeting. The unanimity we have reached is that we are ready to hold a meeting." At present, the stands between the United States and the Soviet Union on such major issues as arms control and regional disputes are still wide apart and there are deep differences. Undoubtedly, a face-to-face dialogue will help ease tensions between the two countries. However, observers are not excessively optimistic about whether the two countries will be able to attain substantial results on substantial issues.

TIAN JIYUN REMARKS ON FOREIGN INVESTMENT

OW081619 Beijing XINHUA in English 1502 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Chinese Vice-Premier Tian Jiyun disclosed here today that the Chinese Government will soon announce a decision on the encouragement of foreign investment.

The decision covers land use, labor service expenses and taxes. Those foreign investors who earn foreign exchange will be free to repatriate it, and those who use their foreign exchange earnings to reinvest in China will enjoy more favorable treatment.

Tian made these remarks at a meeting with a delegation from the Wilton Park Conference Center of Britain, led by Edmund Dell, and a delegation from the Los Angeles world Affairs Council of the U.S., led by Roy Anderson, here this afternoon.

Answering questions raised by the visitors, Tian Jiyun said China hopes more foreign entrepreneurs will set up enterprises and invest in China.

Tian said at present many departments are involved in each contact with foreign countries. So to discuss or decide a project takes a long time.

Another problem is that Chinese departments engaged in trade have no knowledge of production, and producers do not know the markets.

These problems will be gradually solved through reform he said. As an interim measure, the central authorities and all provinces and cities are preparing to establish coordinating organizations with competent authorities in charge and various foreign trade departments included.

China is now studying an implementation plan for foreign trade structure reform, Tian said.

The two delegations are here to take part in the second tripartite meeting with the Chinese People's Institute of Foreign Affairs. The tripartite meeting is a channel for many-sided dialogue established by the three organizations last year. The first meeting was held in London last year.

PRC HYBRID RICE SUCCESS EXAMPLE FOR WORLD

OW082359 Beijing XINHUA in English 1853 GMT 8 Oct 86

[Text] Changsha, October 8 (XINHUA) -- China's success in growing high-output, hybrid rice points the way toward producing more food on diminishing farmland in the rest of the world, an international food expert said here today.

M.S. Swaminathan, director-general of the International Rice Research Institute, called China's experience with hybrid rice, with an output 20 percent higher than conventional varieties a "significant technical breakthrough." The institute is based in the Phillippines.

Other countries can benefit from China's experience, not only in hybrid rice, but also in agricultural production as a whole, said Swaminathan, chairman of the first international symposium on hybrid rice now in session in Changsha, where the high-output variety was developed.

Most of the Third World is short of arable land while population continue to grow, he said. In the future, according to Swaminathan, "We must produce more grain on less land."

A frequent visitor to China, Swaminathan said the country's initative-based responsibility system has promoted hybrid rice production. By combining public ownership of land with individual initiative, he said, "the system has yielded good results."

Drawing on China's experience, other countries have introduced similar systems and achieved "substantial increases" in agricultural production, according to Swaminathan, recipient of this year's Albert Einstein World Science Award of the World Cultural Council.

Science and technology alone cannot end hunger and malnutrition in Third World countries, he sid. "Correct policies must be adopted.

SECRETARY OF DEFENSE WEINBERGER CONTINUES VISIT

Meets Zhang Aiping

OW081122 Beijing XINHUA in English 1104 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Chinese Minister of National Defense Zhang Aiping and visiting U.S. Secretary of Defense Caspar Weinberger conferred on worldwide issues and bilateral relations here today.

A Chinese Defense Ministry official disclosed that they had spent more than three hours to exchange views on "a wide range of international issues" in the Diaoyutai State Guesthouse.

Reviewing relations between the Chinese and U.S. Armed Forces, the two military leaders "expressed satisfaction at the progress made so far, the official said. They also hoped to see consolidation and further growth of such relations."

Attending the talks on the Chinese side were Xu Xin and He Qizong, deputy chiefs of Genreral Staff of the Chinese People's Liberation Army, Ding Henggao, minister in charge of the Commission of Science, Technology and Industry for National Defense, Liu Huaqing, commander of the Chinese Navy, and Wang Hai, commander of the Air Force.

Mr. Weinberger was aided at the talks by U.S. Ambassador to China Winston Lord and senior military officers accompanying him to China.

A dinner is in store for the U.S. defense chief by Zhang Aiping in the Great Hall of the people later today.

Honored at Banquet

OW081533 Beijing XINHUA in English 1517 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Chinese Defense Minister Zhang Aiping and his wife, Li Youlan, gave a banquet to welcome the U.S Secretary of Defense and Mrs. Weinberger at the Great Hall of the People here today.

Zhang Aiping said in a toast that Weinberger's first visit to China in 1983 and his own trip to America in 1984 paved the way for further growth of the military relationship and military technology exchanges between the two countries.

Zhang said that his talks with Weinberger earlier today had yielded positive results. Weinberger will continue to have talks with Chinese leaders tomorrow. He is also scheduled to visit some Chinese military units. All these activities will be beneficial to the increase of contacts between the armed forces of the two countries.

Weinberger said in his toat that his talks with Zhang Aiping had been fruitful.

Noting the steady growth of the military relations in the past three years, he said exchanges of visits by the top military leaders of both countries have contributed to improved friendship and mutual understanding.

Talking about international issues, Weinberger said that China and the United States, as members of the Pacific Ocean community, share an interest in maintaining peace and stability in the region, and he welcomed friendly dialog to that end between the two countries.

On had were Vice-Minister of Foreign Affairs Zhu Qizhen, Chinese Ambassador to the U.S. Han Xu, and U.S. Ambassador to China Winston Lord.

Meets Deng Xiaoping

OW090314 Beijing XINHUA in English 0307 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party (CPC) and the Military Commission of the CPC Central Committee, met here this morning with United States Secretary of Defense Caspar Weinberger.

Before going into a closed session, Deng called Weinberger an "old friend" with "warm-hearted feelings about developing Sino-U.S. relations."

Deng, who is a chain smoker, offered cigarettes to Weinberger and to Winston Lord, the U.S. Ambassador to China. Both declined.

Lord said as a former U.S. secretary of health he did not smoke.

"Then you are both good persons," Deng said with a smile.

Weinberger said that although he had never been a secretary of health, he had been a budget director.

"In that case," said Deng, "We have shared experiences in both military and financial affairs, and I used to be responsible for finance and transport."

But, he said, holding a cigarette, "it is a pity that I have never been a minister of health," Deng replied.

Chinese State Councilor and Foreign Minister Wu Xueqian met Weinberger and Lord earlier this morning. Details of the meeting have not yet been disclosed.

More on Deng-Weinberger Meeting

OW091052 Beijing XINHUA in English 064. GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Chinese leader Deng Xiaoping had a 30-minute meeting with visiting U.S. Secretary of Defense Caspar Weinberger here today.

Deng, who is chairman of both the Central Advisory Commission of the Chinese Commuinist Party (CPC) and the CPC Central Military Commission, said the Sino-U.S. relations are good as a whole.

He appreciated Mr. Weinberger's efforts to promote relations between the two countries and particularly to expand the relations between the two armed forces.

Sharing Deng's assessment of bilateral relations, Mr. Weinberger noted that he had had very good talks with Chinese Minister of National Defense Zhang Aiping yesterday.

This shows that the relations between the armed forces of the two countries have good prospects, Mr. Weinberger said.

Weinberger forwarded a letter from U.S. President Reagan to Deng, who asked the defense secretary to convey his regards to President and Mrs. Reagan.

Present at the meeting were Zhang Aiping, Chinese ambassador to the U.S. Han Xu and U.S. Ambassador to China Winston Lord.

Earlier today, Chinese Foreign Minister Wu Xueqian conferred with Weinberger on Sino-U.S. relations and a number of international issues.

HSIN WAN PAO ON WEINBERGER'S PRC VISIT

HK081044 Hong Kong HSIN WAN PAO in Chinese 8 Oct 86 p 2

["News Talk" column: "The Agenda and Significance of Weinberger's Visit to China"]

[Text] U.S. Secretary of Defense Weinberger arrived in Beijing at dusk yesterday. Shortly afterward, he carried out a number of activities.

His 4-day visit will include touring China's satellite launching base in Xichang. He has a heavy schedule during his visit.

Shortly after he arrived at the Beijing airport, he went to the Great Hall of the People, where he met Yang Shangkun, vice chairman of the Central Military Commission; and Chief of Staff Yang Dezhi. Subsequently, he hurried to the Zhaolong Restaurant to attend a dinner given by Defense Minister Zhang Aiping.

Today's schedule includes a formal meeting between the two defense ministers and a banquet given by Zhang Aiping in Weinberger's honor. As yesterday's dinner was informal, neither side made a formal speech. It seems that news media will report on their formal speeches tonight.

It has already been rumored in Beijing that Deng Xiaoping will possibly meet Weinberger. A U.S. official accompanying Weinberger to Beijing remarked that Weinberger brought along letters from U.S. President Reagan for Deng Xiaoping and Zhao Ziyang.

Judging from the arranged schedule, as chairman of the Central Military Commission, Deng Xiaoping will meet Weinberger after the talks between the two defense ministers. By then it will be easier to analyze his new understanding of U.S. viewpoints on the world situation and of U.S. suggestions about Sino-U.S. relations.

This is Weinberger's second visit to China. His first visit to China in 1983 initiated mutual visits by top military leaders of the two countries. On the first day of Weinberger's current visit, China also sent Hong Xuezhi, director of the PLA General Logistics Department, to the United States for a two-week visit. He will exchange views with his counterpart on logistics modernization and visit some logistics facilities, logistics units, logistics research departments, storehouses, and academies.

Many commentators on international issues believe that the mission of Weinberger's current trip is not merely limited to military affairs. The discussion on the international situation are more important. According to the dispatch released by UPI from Beijing yesterday, besides arms sales and the U.S. fleet's visit to Chinese ports, the talks will include the forthcoming U.S.-Soviet summit in Iceland.

This morning, Hong Kong's SOUTH CHINA MORNING POST had a full-page discussion on the issue, which pointed out from the very beginning: Weinberger's visit to China is an attempt to sound out Sino-Soviet relations following Gorbachev's speech made at Vladivostok last summer. The United States is more concerned about the Kremlin's consent to determine the Sino-Soviet boundary with the main channel of the Heilong Jiang and Wusuli Jiang rather than the withdrawal of Soviet troops from Mongolia and Afghanistan. It is said that this is the Soviet Union's friendliest attitude toward China in recent years.

Thus it can be seen that both the United States and the Soviet Union have adopted new attitudes to deal with Sino-U.S. and Sino-Soviet relations. It is estimated that Weinberger will have something new to say about the outstanding Sino-U.S. issues including arms sales and transfer of certain technologies.

Regarding the U.S. fleet's visit to Qingdao, it is said that a solution has been reached. The United States may follow the method of the British fleet's visit to Shanghai, respect China's position on nuclear weapons in the Pacific Ocean, and avoid publicizing the nuclear power or weapons of the naval vessels that are to visit China. Whether this statement is true or not has yet to be verified.

WANG COMPUTER JOINT VENTURE TO BEGIN PRODUCTION

OW061834 Beijing XINHUA in English 1546 GMT 8 Oct 86

[Text] Beijing, October 6 (XINHUA) -- A joint venture to produce the VS series of mini-computer systems will officially go into production in Shanghai October 11, Wang Computer China Limited (WCCL) announced here this evening.

The joint venture, Wang Computer Industry Development Company Ltd, was established by WCCL, a subsidiary of Wang Laboratories of the United States, and the Shanghai Computer Industry Company.

The first batch of equipment for the joint venture was shipped to Shanghai August 24, WCCL said, adding that the installation of the equipment has been completed and the venture trial-produced the first (?workstation) for the VS series October 1.

Dr. An Wang, president of Wang Laboratories, who flew here today will cut the ribbon for a ceremony to be held in Shanghai October 11 to mark the commencement of the joint venture.

Wang will provide technology for the joint venture in production, measuring and testing, maintenance and in other production activities, and is responsible for upgrading the technology and products of the venture, according to a WCCL release.

Wang will also send engineers to Shanghaik to exercise strict supervision over the products turned out by the joint venture so that they will reach the advanced world level in terms of quality, technology and reliability, WCCL (?said).

In addition, Wang will provide Chinese users with training and maintenance services, it added.

WANG'S AUTOBIOGRAPHY TO BE PUBLISHED IN CHINESE

OW080844 Beijing XINHUA in English 0826 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) — an autobiography of the noted American computer industrialist, Dr. An Wang, is to be published at the end of this year by the Joint Publishing Co. in association with the Addison-Wesley Published Company Inc. of the United States.

The original English version was recently published by the American company and the Chinese translation is based on the manuscript of the author.

Dr. An Wang, president of Wang Laboratories, was born near Shanghai China in 1920. He went to the United States in the mid-1940s. While working for his PH.D. degree in applied physics at Harvard University in 1948, he developed magnetic memory cores, which were essential to the development of modern computers.

Later, Wang became a businessman to market applications of his innovations in digital electronics, and his company has grown from a one-man shop to an almost three-billion-dollar multinational company that employs over 30,000 people.

The 66-year-old Wang has been so successful that he was honored as an outstanding immigrant by President Reagan on America's Indeptendence Day, July 4 this year.

His 170,000-word autobiography is entitled "Lessons," because Wang hopes his book will not be read as a catalog of his achievements but as a case study of one man making decisions and taking risks, he wrote in the introduction to the book.

DENG XIAOPING MEETS WANG LABORATORIES PRESIDENT

OW081056 Beijing XINHUA in English 1048 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) — Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, today assured a leading United States industrialist that "foreign entrepreneurs could not find a safer investment than in China."

Speaking to An Wang, who was born in Shanghai in 1920 and is president of Wang Laboratories, Deng called for more foreign investment "so China can accelerate its national development."

As for China's repaying capability, he said at a meeting in the Great Hall of the People, "We don't think of it as a problem, and I would hope foreign investors wouldn't worry either."

Deng said he hoped Wang would contribute to China's economic development.

"I will try my best," Wang responded, adding that the Wang Computer Industry Development Company, a subsidiary of Wang Laboratories, was involved in a joint venture with the Shanghai Computer Industry Company to produce the "VS" series of mini-computers.

Wang left China in 1945 to study at Harvard University in Cambridge, Massachusetts. He became a U.S. citizen in 1954.

When Wang told Deng China had changed since his last visit in 1979, the senior leader suggested that he see China's poorer areas as well as its more developed ones.

"We cannot allow poverty under socialism to exist and poverty does not give expression to the superiority of socialism," said Deng. "In building socialism, we must gradually make our people and our country rich and prosperous."

GUANGMING RIBAO ON U.S. 'FALSE REPORT' ON LIBYA

HK090555 Beijing GUANGMING RIBAO in Chinese 5 Oct 86 p 3

[Report from reporter Wang Deming (3269 1795 6900): "White House Issued False Report To Deceive Al-Qadhdhafi, Causing a Great Disturbance in U.S. Press Circles"]

[Text] Washington, 3 Oct -- On 2 October, THE WASHINGTON POST published on its front page an astounding report, exposing a "secret fraud" designed by the White House in August. It added that the White House purposely revealed the fraud to the press in order to deceive Libyan leader Al-Gadhdhafi so that he would believe that his main aides intended to state a coup d'etat, and that the United States would attempt to attack Libya again. By so doing, the White House would punish him for "his support for the terrorist activities."

The newspaper reported the matter in detail in accordance with the relevant documents and reports from other sources. The origin and development of the matter began when Poindexter, advisor to the President for national security affairs, drafted a memorandum, and presented it to President Reagan. On 14 August, Reagan, Poindexter, and nine other White House senior officials discussed this memorandum. The memorandum worked out a new tactic aimed at "letting Al-Qadhdhafi believe that an opposition, composed of senior personages inside Libya and his close aides, are not loyal to him, and that the United States will undertake military operations to attack him." The plan was approved after discussion, and filed as an official presidential document on policy decision. The plan would be specifically executed by Poindexter and the CIA.

According to the article in THE WASHINGTON POST on 2 October, on 25 August, THE WALL STREET JOURNAL and this newspaper reported "most of the false information churned out according to this plan," "saying that Libya again supported terrorist activities and that another round of U.S.-Libyan conflict was imminent."

THE WALL STREET JOURNAL even gave a more detailed report, saying that "as soon as the President issues the order, the Defense Department will be able to fulfill the new combat plan of bombing Libya on a larger scale." That night, the three major television networks in the United States all broadcast the report of THE WALL STREET JOURNAL. On 26 August, the news agencies and many major newspapers also reported this.

THE WASHINGTON POST has now public this fraud, and this has deeply embarrassed the White House. This newspaper also confirmed that even the memorandum drafted by Poindexter also acknowledged that the results of the reconnaissance by the U.S. intelligence agencies showed that Al-Gadhdhafi "was in a state of silence while being on the front line of terrorist activities." According to a report by THE NEW YORK TIMES, the White House denies the attempt to cook up false information. When meeting some leading journalists on 2 October, President Reagan 'denied' the truthfulness of THE WASHINGTON POST report, but he acknowledged that there was a 'circulating memorandum' about the Libya issue.

The turbulance that this incident has given rise to in U.S. press circles was quite big. On the 3d various major newspapers were full of complaints and explanations. This is rare in U.S. press circles. THE NEW YORK TIMES published a news analysis, in which it says with some feeling of embarrassment: on the one hand, the government selectively provides some sources of news to press circles, who have to question the truth of the news; while on the other hand, when press circles publish some sensitive and accurate news, the reporters and newspapers are punished. This time, "the Reagan administration wanted to 'use false information' to overthrow the Libyan leader. This has not only harmed its credibility about what it says but has also caused people to doubt its news policies.

SHULTZ MEETS CHINESE ENCYCLOPEDIA DELEGATION

OW081214 Beijing XINHUA in English 1201 GMT 8 Oct 86

[Text] Washington, October 7 (XINHUA) -- U.S. Secretary of State George Shultz received a delegation of China's Encyclopedia Publishing House here this afternoon.

The Chinese delegation, led by the publishing house's President Chang Ping, came to Washington on the occasion of the publication of the Chinese version the "Concise Encyclopedia Britannica" in the United States today.

The 10-volume, eight-million-word Chinese version is the fruit of cooperation between and the joint efforts of the Chinese publishing house and the Chicago-based Encyclopedia Britannica, Inc., U.S.A.

Shultz told the Chinese guests that he regarded the publication of "The Concise Encyclopedia Britanncia in Chinese" as a very good beginning of cooperation between U.S. and Chinese publishing circles and an important part of the cultural exchange between the two countries.

The Chinese delgation presented a copy of the encyclopedia to the U.S. Secretary of State as a gift. Present on the occasion was Zhang Zai, charge d'affaires ad interim of the Chinese Embassy here.

At a news conference this morning at the Library of Congress here, Robert P. Gwinn, chairman of the Encyclopedia Britannica, Inc., presented a commemorative edition of the Chinese encyclopedia to Daniel J. Boorstin, librarian of the congress. Following the news conference, a symposium "Encyclopedias East and West" was held at " The Center for the Book" in the Library of Congress.

Frank Gibney, vice chairman of the board of editors of the Encyclopedia Britannica, told American and Chinese journalists at the news confernece that more than 500 scholars, translators and editors from all over China participated in the project. While the encyclopedia was edited by the staff of the encyclopedia of China Publishing House, all editorial decisions were supervised by a joint editorial review board composed of an equal number of Chinese and American scholars, of which he is the American co-chairman.

Chinese leaders Deng Xiaoping and Hu Yaobang have been supporting the publishing of Encyclopedia Britannica in China, both Gwinn and Gibney stressed.

The first edition of the encyclopedia was published in 1768 in Edinburgh, Scotland. Since the, it has grown to be one of the most prestigious encyclopedias in the world. It is the oldest continuously published reference work in the English language.

Among the mbembers of the Chinese delegation are Liu Zungi, Chinese co-chairman of the joint Sino-American Editorial Review Board and former editor-in-chief of CHINA DAILY, the English newspaper in Beijing; Qian Weichang, president of Shanghai University; and Xu Weizeng, managing editor of the "Concise Encyclopedia Britannica in Chinese."

TIAN JIYUN MEETS AMERICAN STOCK BROKER

OW081644 Beijing XINHUA in English 1637 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) __ Vice-Premier Tian Jiyun met here today Richard C. Holbrooke, permanent director of the Shearson Lehman Brothers Inc. of the United States and his party.

NPC'S PENG CHONG MEETS U.S. LAWYERS DELEGATION

OW081132 Beijing XINHUA in English 1112 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Peng Chong, vice-chairman of the Chinese National People's Congress Standing Committee, met a delegation from the American Bar Association led by its President Eugene Thomas here today.

Chairman of the Law Society of China Wang Zhongfang was present.

RADIO CITES PRC SPOKESMAN ON REYKJAVIK SUMMIT

OW090628 Beijing in Russian to the USSR 1800 GMT 8 Oct 86

[Text] A PRC Ministry of Foreign Affairs press representative, replying to a journalist's question in Beijing on the afternoon of 8 October, said that China welcomes the U.S-Soviet summit meeting and hopes that the United Staes and the USSR will hold thorough talks [po-nastoyashchemu provedut peregovory] and will reach agreement on a considerable reduction of arms that would not be to the detriment of other countries' interests but would benefit the relaxation of international tensions and defend peace throughout the world.

When the issue was raised that the question of the Soviet Union deploying SS-20 missiles in the Asian part of its territory aimed against China would be discussed at the U.S.-Soviet summit meeting, the representative noted that, as an Asian state, China must be concerned about security in this region. China considers that attention must be paid to security both in Europe and Asia. The United States and the USSR must simultaneously and uniformly reduce or destroy intermediate-range missiles deployed on these two continents.

The representative also stressed that a fundamental obstacle in Chinese-Vietnames relations is the Vietnamese aggression against Cambodia. if Vietnam does not put an end to its occupation of Cambodia and withdraw all its aggressive troops from this country, there can be no talk about relations between China and Vietnam.

CALL FOR SOVIET AFGHAN WITHDRAWAL REITERATED

HK090742 Hong Kong AFP in English 0733 GMT 9 Oct 86

[Text] Beijing, Oct 9 (AFP) -- China reiterated its call Thursday for a prompt total withdrawal of Soviet troops from Afghanistan, a day after Moscow announced that some 8,000 Soviet soldiers would leave the country by the end of the month.

"We have repeated on many occasions that the key to the political settlement of the question of Afghanistan lies in the complete withdrawal of the troops from Afghanistan by the Soviet Union at an early date," a Chinese Foreign Ministry spokesman said in a telephone interview.

U.S. Defense Secretary Caspar Weinberger, who is currently visiting China, accused the Soviet Union Wednesday of conducting a fake withdrawal by sending new regiments into Afghanistan, only to pull them out later.

Beijing considers the Soviet presence in Afghanistan one of three obstacles to a normalization of Sino-Soviet relations. The two others are Soviet backing for the Vietnamese occupation of Cambodia and Soviet troop concentration along China's northern borders.

TEXT OF LI XIANNIAN SPEECH AT PYONGYANG BANQUET

HK081025 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 6

[XINHUA report: "President Li Xiannian's Speech at the Banquet Hosted by President Kim Il-song"]

[Text] Pyongyang, 3 Oct (XINHUA) -- President Li Xiannian delivered a spech at a banquet given by President Kim Il-song this evening. The full text of his speech is as follows:

Respected Comrade President Kim Il-song and his wife Comrade Kim Song-ae;

Respected leading comrades of the party, government, and Army of Korea;

Dear comrades:

Bringing with me the profound feelings of friendship of the Chinese people for the Korean people, I have come to our fraternal neighbor, the DPRK, for an official friendly visit. I am very pleased to see our old friends and the fraternal Korean people. I extend my heartfelt thanks to Comrade President Kim Il-song and to the party, government, and people of Korea for the grand and enthusiastic welcome and the cordial and meticulous hospitality accorded me and my entourage, I avail myself of this opportunity to extend the cordial greetings and the best regards of the party, government, and people of China to the party, government, and people of Korea.

I have visited your beautiful country many times, and each time I have a fresh feeling. More than 20 years have passed since my first visit. During this period, startling changes have taken place in the DPRK under the leadership of te Workers Party of Korea headed by Comrade Kim Il-song. Pyongyang today has become more grandiose, beautiful, and harmonized, its appearance completely changed compared with that of 2 decades ago and much changed even compared with 6 years ago when I visited it. Consistently adhering to the correct line of "independence in politics, self-sustenance in economy, and self-reliance in national defense," the Korean people have made great achievement in different fields of socialist construction. You have successfully carried out the Second 7-Year Plan of National Economic Development and are vigorously striving to attain the 10 long-term objectives of the eighties. Pursuing a foreign policy of independence, friendship, and peace, the DPRK is actively developing friendly relations with the peoples of many countries. The Chinese people, as your comrades and comrades-in-arms, always show deep interest in the development of Korea, fully respect the domestic and foreign policies you have formulated, and sincerely rejoice over all the achievements you have made.

Comrades, the Chinese people are striving to build socialism with Chinese characteristics and are determined to change completely the backward appearance handed down through history by carrying out modernization with strenuous efforts of the people of a number of generations. We begin implementing the Seventh 5-Year Plan this year. We are gradually carrying out an all-round reform of the economic structure while focusing on the cities. At the same time, we are also vigorously exploring the question of reforming the political structure. Our reform work in many fields is all conducted under the condition of maintaining the socialist system. [paragraph continues]

Our reform, which is aimed at rousing the enthusiasm of the broad popular masses, accelerating the developent of social productive forces, improving the people's living standards, and giving full play to the superiority of the socialist system, has already brought a tangible effect. In carrying out reform internally and pursuing a policy of opening up externally, we set store by the construction of material as well as construction of spiritual civilization. The 6th Plenary Session of the 12th CPC Central Committee which closed a few days ago discussed mainly the question of socialist spiritual civilization and adopted an important resolution. We will invariably adhere to the four basic principles — keeping to the socialist road and upholding people's democratic dictatorship, the party's leadership, and Marxism-Leninism and Mao Zedong Thought -- and consistently develop socialist construction in China. Socialist construction in China has invariably been an object of interest and support of the Korean comrades. Availing myself of this opportunity, I express sincere thanks to the Korean party, Government, and people on behalf of the Chinese party, Government, and people.

Comrades, to preserve peace in Asia and the rest of the world is now a unanimous desire of the peoples of Asia and other parts of the world. Easing tension on the Korean peninsula is not only in accord with the interests of the peoples in this region but also favorable for peace and stability in the entire Asia and Pacific region. The Korean party and Government have made tireless efforst to ease the strain on the Korean peninsula and promote the cause of independent and peaceful reunification of Korea and put forward a number of reasonable proposals. I attended the Sixth Congress of the Workers Party of Korea 6 years ago upon your party's invitation. At the congress, Comrade Kim Il-song solemnly put forward the proposal for realizing reunification by founding the Democratic Confederal Republic of Koryo, and indicated the orientation and way for the independent and peaceful reunification of Korea. The Chinese people love peace and the Chinese Government pursues a peaceful foreign policy of peace. We are vigorously struggling to accomplish the cause of the country's reunification. That is why we have a good understanding of the ardent desire of the Korean people to put an end to the division of the country and achieve its peaceful reunification at an early date. We always held that the United States must stop meddling in the internal affairs of Korea and withdraw all its forces and military equipment from South Korea and that the Korean people be allowed to solve the question of the country's peaceful reunification by themselves free from foreign interference. We resolutely support your just stand and reasonable assertions, and wholeheartedly hope that the Korean people will continue to make a new advance in their cause of reunification. A reunified and peaceful Korea will certainly appear in the east of the world.

Comrades, particularly close relations have been forged between China and Korea. Comrade Kim Il-song rightly said: "The Korean and Chinese peoples are tied together in one destiny for good and all." The Chinese party and Government set great store by the great Sino-Korean friendship forged in the protracted revolutionary struggle and the cause of socialist construction. This friendship in lips-and-teeth relations is a great embodiment of proletarian internationalism, a crystal of coincidence of fundamental interests of the two peoples, and a friendship which has withstood trials. It is an unshakable policy of our party and government to constantly develop and strengthen the friendly and cooperative relations between China and Korea. In recent years, the leaders of our two parties and two countries have steadily developed the friendship between the two countres by paying visits to each other as if to their relatives. I firmly believe that the great Sino-Korean friendship will be a blessing for our two peoples, greatly contribute to peace in Asia and the rest of the world, and continuously develop from generation to generation, pulling through all storms as in the past. Now, I propose a toast:

To the development of Sino-Korean friendship from generation to generation; to the propserity of the DPRK and the happiness of the people; to the good health and long life of Comrade Kim Il-song, the great leader of the Korean people and close friend of the Chinese people; to the good health of Comrade Kim Song-ae; to the good health of Comrade Kim Chong-il; to the good health of the leading comrades of the Korean party, Government, and Army, and to the good health of the Korean and Chinese comrades present at the banquet!

TEXT OF KIM IL-SONG SPEECH AT BANQUET FOR LI

HK071123 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 6

[XINHUA report: "President Kim Il-song's Speech at the Banquet Given in Honor of President Li Xiannian"]

[Text] Pyongyang, 3 October (XINHUA) -- President Kim Il-song made a speech at the banquet held this evening in honor of President Li Xiannian. The full text of his speech follows:

Respected Comrade Li Xiannian,

Distinguished Chinese guests,

Comrades and friends:

Today, we are very glad to welcome respected Comrade Li Xiannian, member of the Standing Committee of the Political Bureau of the CPC Central Committee, president of the PRC, and intimate friend of the Korean people.

Many people in Pyongyang went to the streets and squares today to warmly welcome Comrade Li Xiannian, vividly expressing a high pitch of excitement of our people in welcoming the friendly envoy of the Chinese people and their profound feeling toward the Chinese people.

I am very glad to meet respected Comrade Li Xiannian again after a long separation. Now I would like to express our warm welcome to you in the name of the Workers Party of Korea, the Government of the DPRK, the Korean people, as well as in my own name.

Comrade Li Xiannian is an old, intimate friend of ours.

You have visited our country many times, and on this occasion, you have taken time to visit our country again as president of the PRC in spite of your old age.

We are deeply moved by the consistent sincerity and efforts of you, Comrade President, and other leaders of the Chinese party and state, to promote the friendship between Korea and China. We are very grateful to you for this.

Just as has often been stressed proudly by the leaders of our two countries, the relations between our two parties, two countries, and two peoples are not ordinary relations. These are special relations of friendship that can only exist between true revolutionary comrades. They are relations of unbreakable friendship with long-standing historical traditions.

The celebrations held in our two countries some time ago to commemorate the 25th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance clearly demonstrated once more the invincibility and vitality of friendship between Korea and China.

The Korea-China friendship is displaying so durable and great vitality because it is based on true comradeship, deep trust, and unshakable revolutionary fidelity between the leaders of the two countries.

We are satisfied with the fact that in recent years, the relations between the two countries have been developing to a new higher stage, adding a brilliant chapter to the glorious history of Korea-China friendship, and that a solid foundation has been laid on which they will develop smoothly and forever from generation to generation.

Korea and China are fraternal socialist countries in the east of Asia, and the people of both countries are carrying out the common tasks for victory in the cause of peace, socialism, and communism.

The Chinese people, who started another Long March after the 3d Plenary Session of the 11th CPC Central Committee, have achieved nationwide stability and unity and great success in the struggle to build socialism with distinctive Chinese characteristics under the seasoned party leadership including Comrade Hu Yaobang and Comrade Deng Xiaoping.

At present, the CPC and the Chinese people are vigorously pushing forward the building of both socialist spiritual civilization and socialist material civilization, and have made a new advance in their struggle to turn China into a highly democratic and highly civilized, powerful, and modern socialist state.

The historical change made by the Chinese people and the increased might of the PRC are contributing greatly to the strengthening of the anti-imperialist and independent forces the world over and to the preservation of peace and security in Asia and the rest of the world.

We are convinced that the fraternal Chinese people will never fail to achieve a brilliant victory in implementing the resolutions of the 12th CPC National Congress and the National Conference of Party Delegates and in their struggle to realize the four modernizations and the four basic principles and to unify the whole country by achieving the reversion of Taiwan.

It is the consistent policy of both the Korean and Chinese parties and governments to fight to prevent war and create peaceful environments for socialist construction.

The peaceful environments are indispensable for both construction for socialist modernization in China and the complete victory of socialism in Korea and its independent and peaceful reunification.

In accordance with the desire and aspiration of the peace-loving people of Korea, Asia, and the rest of the world, our party and the government of the republic are making every effort to ease the tension of the Korean peninsula and settle the question of national reunification peacefully.

The Communist Party, government, and people of China are giving positive support and encouragement to the peaceful initiatives which we have taken to accelerate the historic cause of the country's reunification and to our struggle for the complete victory of socialism.

I would like to take this opportunity to express our deep thanks to the party, government, and fraternal people of China for their positive support and encouragement to our people in our socialist construction and our struggle for national reunification.

Comrades and friends!

By visiting each other frequently, the party and state leaders of Korea and China have discussed the matters of common concern and taken necessary and joint actions as required by the situation. This has become a fine tradition and, in the course of this, the friendship between Korea and China has been consolidated and developed continuously.

The fraternal friendship and militant solidarity between our two parties, two countries, and two peoples is an important factor for the successful accomplishment of the cause of socialism and communism in Korea and China and a sure guarantee for peace and security in Asia and the rest of the world.

The Korean people will continue to make efforts to strengthen the traditional Korean-China friendship in future and, in firm unity with the progressive people of the world, resolutely fight to build a peaceful new world free from domination and subjugation.

The visit of esteemed Comrade President Li Xiannian to our country on this occasion will make a great contribution to further strengthen and developing the unbreakable Korea-China friendship, which is being promoted steadily.

Esteemed Comrade President, I wish that you will have a pleasant stay in our country amid the warm welcome of our people.

Now, at this significant banquet, which is permeated with brotherly affection, I propose a toast:

To the eternal and militant solidarity and friendship between the Korean and Chinese peoples;

To the vigorous development of the CPC and prosperity of the PRC;

To the longevity of esteemed Comrade President Li Xiannian and the health of his wife;

To the health of all the distinguished Chinese guests here;

And to the health of all comrades and friends present at the banquet!

LI PENG CONTINUES TOUR OF 3 AFRICAN COUNTRIES

Meets Egyptian Prime Minister

OW071300 Beijing XINHUA in English 1300 GMT 7 Oct 86

[Text] Cairo, October 7 (XINHUA) -- Visiting Chinese Vice-Premier Li Peng told Egyptian Prime Minister 'Ali Lutfi this morning that his visit is aimed at learning experiences from the Aswan High Dam before a final decision to construct the projected Three-Gorges High Dam in the middle of China's longest Yangtze River.

During the meeting, the two leaders exchanged views on various international issues including the Palestinian problem and the Middle East situation as a whole. Both sides also expressed satisfaction over the current Sino-Egyptian ties and hoped that the two countries will further increase relations in political, economic and other spheres.

Li Peng arrived here last night after his visits to African countries of Botswana, Ivory Coast and Ghana.

Cooperation Dam Construction

OW071842 Beijing XINHUA in English 1556 GMT 7 Oct 86

[Text] Cairo, October 7 (XINHUA) -- Egypt is willing to offer its experience in building the Aswan High Dam in the light of the construction of China's projected Three-Gorges High Dam and the giant hydropower station on the Yangtze River.

Egyptian Minister for Power Energy Muhammad Mahir Abazah said this remarks here today in a meeting with visiting Chinese vice-premier Li Peng.

Li Peng, who is visiting the Aswan Dam on the Nile in upper Egypt, hoped that Chinese and Egyptian experts will exchange technical experiences on the constructin of hydro-power projects.

Both Li Peng and Abazah hoped that China and Egypt would further cooperate in the constructing projects and exchange of experience in developing their countries.

Feted by Energy Minister

OW080856 Beijing XINHUA in English 0849 GMT 8 Oct 86

[Text] Cairo, October 7 (XINHUA) -- Egyptian Electricity and Energy Minister Muhammad Abazah held a banquet tonight in honor of Chinese Vice Premier Li Peng, who arrived here yesterday for a studying tour of the Aswan High Dam.

In his speech at the banquet, the Egyptian minister expressed his country's appreciation of China's self-reliance and the policy of opening to the outside world in its modernization drive.

The Chinese vice premier in his speech praised the cooperation between the two countries, which is expanding in both scope and form. Li told Egyptian Prime Minister Ali Lutfi earlier today that his visit was aimed at learning Egypt's experience in building the Aswan High Dam before a final decision to construct the projected Three-Gorges High Dam in the middle of China's Yangtze River.

Praises Aswan Dam as Example

OW090159 Beijing XINHUA in English 0037 GMT 9 Oct 86

["China Can Learn From Egypt's Aswan Dam, Says Li Peng (by Wang Gengbao)" -- XINHUA headline]

[Text] Aswan, Egypt, October 8 (XINHUA) -- Visiting Chinese Vice-Premier Li Peng today said that China can learn from Egypt's Aswan Dam in building China's large-scale hydro-power station and water conservancy projects.

Talking to XINHUA on concluding an on-the-spot investigation of the Aswan Dam, the vice-premier said that the Aswan Dam is a great water conservancy and dydro-power engineering achievement which has benefitted the Egyptian people. "By meticulous designing and rational planning, China can assimilate the strong points and avoid the weak points of the Aswan Dam in building China's water conservancy and hydro-power station projects," he said.

Vice-Premier Li Peng came to see the control centre and the power generating sets of the Aswan Dam this morning, accompanied by Governor of Aswan governorate Kadil Osman and First Vice-Minister of Electric Power and Energy al Safti.

Li Peng also went on a boat in the Nasser Lake to see the body of the dam and was briefed by Egyptian experts on the construction of the dam. He was also honoured at a luncheon given by the governor of Aswan today.

Meets President Mubarak

OW081407 Beijing XINHUA in English 1324 GMT 8 Oct 86

[Text] Cairo, October 8 (XINHUA) -- Egyptian President Husni Mubarak met visiting Chinese Vice-Premier Li Peng here today for talks on the Sino-Egyptian relations and Middle East issues.

After the meeting, Li Peng, when asked about a question on China's stand on the projected international conference on Middle East peace, said that China supports any means which enables a peaceful and just solution to the Middle East problems.

During his meeting with the Egyptian president, Li Peng delivered a letter from Chinese Premier Zhao Ziyang in replying to Mubarak's letter on September 18.

Li Peng noted that China has always been supporting the just struggle of the Arab people including the Palestinians. "We hope that a just solution can be found to the Mideast issues through peaceful negotiations," Li Peng said.

China supports Egypt's stand on safeguarding the national sovereignty concerning the Tabah issue and appreciates Egyptian efforts to find peaceful solutions to the Mideast problems and to defend the Palestinian rights, the Chinese vice-premier added.

Li reiterated the Chinese Government's invitation to Mubarak for an official visit to China at his convenience. he told reporters that both sides are satisfied with the development of bilateral relations.

DEATH OF MARSHAL LIU BOCHENG ON 7 OCT REPORTED

HK081408 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1257 GMT 8 Oct 86

[Text] Beijing 8 Oct (ZHONGGUO TONGXUN SHE) -- Marshal Liu Bocheng, the legendary soldier of our time, and a famous leading member of the Chinese military circles died of illness at the age of 94 on 7 October.

Liu Bocheng joined the anti-Qing army consisting of students during the 1911 Revolution, and began his long life as a soldier. He participated in initiating and leading the Nanchang Uprising, and was one of the PLA founders. During the War of Liberation, he and Deng Xiaoping commanded the Second Field Army, namely the "Liu-Deng Army", and rendered immortal meritorous services to the founding of New China. He was one of the "ten marshals" who helped found the PRC.

Liu Bocheng had been Vice chairman of the Military Commission of the CPC Central Committee and member of the CPC Central Committee Political Bureau; he withdraw from the political arena because of illness in his later years.

Wang Ronghua, Marshal Liu Bocheng's widow, is still in good health. The Lius have six children, who are all married. All of them live in the living quarters of their own units. They call on their parents only on holidays. Marshal Liu's lifestyle has been greatly admired by people here.

HU YAOBANG URGES IMPROVEMENT OF CADRE QUALITY

HK080635 Hong Kong MING PAO in Chinese 8 Oct 86 p 5

["Special dispatch" from Beijing: "Hu Yaobang Says That the Quality of China's Cadres Is Low, and That Their Scientific Knowledge Is Generally Insufficient"]

[Text] While talking about the problem of cadre quality, Secretary General of the CPC Central Committee Secretariat Hu Yaobang said recently: "Generally speaking, scientific knowledge of leading and general cadres at both the central and provincial levels is insufficient."

According to a report by ZUZHI RENSHI XINXI BAO [INFORMATION ON ORGANIZATIONS AND PERSONNEL MATTERS], Hu Yaobang wrote on a letter a very important instruction on personnel work: "When doing personnel work, we handle some specific matters almost every day. We should deal with them rationally. They should be handled in a strict or flexible way as the case may be. With regard to things which should not, or cannot be done, we should explain it clearly to the people concerned, so that everyone is happy."

While talking about the quality of cadres, Hu Yaobang said: Since the 3rd Plenary Session of the 11th CPC Central Committee, we have always stressed that the broad masses of cadres should master knowledge in order to enhance their quality. It has been right for us to do this.

He pointed out that there are three kinds of knowledge: 1) Modern economic and management knowledge; 2) modern scientific and technical knowledge; and 3) basic knowledge of Marxism and Leninism, or the knowledge of modern social sciences.

The secretary general stressed: "In recent years, while stressing that cadres should master cultural, scientific and technical knowledge, we have adopted a series of masures such as sending cadres to study at universities, study at foreign universities, visit foreign countries, and so on. We will continue to do so in the future. We do not oppose sending cadres to visit foreign countries and study abroad. What we oppose is the unhealthy trends in this regard. Cadres who have gone abroad have a foresight different from those who have not. In our practical work, there is one problem which have not yet tackled from two aspects: 1) Scaling new heights; and 2) going down to reality. Mastering modern scientific and cultural knowledge is what we call scaling new heights. While scaling new heights, we should not forget going down to reality, going deep into the reality of life. These two measures should be well integrated. we have more than 20 million cadres. In construction, we lack both modern scientific knowledge and practical knowledge. Not a single kind of knowledge is 'dispensable,' let alone two kinds of 'knowledge'."

When he talked about the growth of cadres, Hu Yaobang emphasized: "I think two conditions are needed in this regard. 1) They must have more modern scientific knowledge, including Marxist knowledge. 2) They must have practical experience and knowledge. We encourage our cadres to exert their efforts in these two aspects. None of them is dispensable. If cadres have book knowledge alone without acquiring any practical knowledge, it is difficult for them to carry out leadership work."

GUANGMING RIBAO ASSESSES OVERCENTRALIZED POWER

HK081016 Beijing GUANGMING RIBAO in Chinese 22 Sep 86 p 3

[Article by Feng Shujun (7458 2885 6511): "Reforming the Political System Should Aim at Doing Away With Overconcentration of Power as the General Root Cause of Bureaucracy"]

[Text] The Historical Factors That Account for the Overconcentration of Power [subhead]

Overconcentration of power is a basic characteristic of China's political structural patterns. Far from being a matter of chance, it is closely related to China's long-standing feudal, despotic tradition and to the overconcentration of power in the hands of party leaders in various countries during the Comintern period. In addition, because of the special nature of the Chinese revolution, we also have repeatedly emphasized the concentration and centralization of the party's power and the need to oppose the mountain-stronghold mentality, decentralism, and independent character. we rarely stress decentralization of power or independence and seldom oppose the overconcentration of power in the hands of an individual. Inevitably, all this has greatly influenced our choice of political system for the country after our seizure of the country's political power. The system chosen was a product of the special social and historical circumstances existing shortly after the founding of the country.

Shortly after the founding of the country, with a national economy greatly disrupted by the civil war, the country faced serious financial difficulties. Internationally, the imperialists imposed an economic blockade. At that historical turning point, we had no choice but to centralize power as far as the country's political system was concerned, in order to directly control and supervise production, exchange, and distribution in society. At the same time, against the background of the bitter and complicated class struggle then and of the newly established administrative organs' urgent need for a large number of cadres, China organized its first administrative cadre contingent on the basis of an appointment system. Having stood the severe test of war, all these cadres had a fine political quality.

In addition, since they were in the prime of their lives, very often many of them simultaneously held several posts each. At that time, the problem of establishing a cadre system and perfecting it was not even discussed. Given these historical circumstances, one should say that the high degree of concentration and centralization of power in our management system was called for by the complicated politicoeconomic situation then and in keeping with the development of productive forces and the masses' consciousness at that time.

Precisely because of this, we have, in theory, acquired the wrong idea that given a socialist system, highly centralized management of economic, political, and cultural affairs is a must. The management system and management methods based on this idea are characterized by centralization and linear relations involving many departments, many layers, and many types of leadership. Starting from the late 1950's, submitting to the "leftist" mistakes in our guiding ideology, we stressed further concentration and centralization in political and organizational matters, with the result that the political system, which was characterized by overconcentration of power, was objectively strengthened. Particularly during the "great leap forward" and "anti-rightist" movements, when the slogan stressing the party's unified leadership was raised, we inappropriately vested all powers in the party committees without making a single analysis. However, a party committee's powers were concentraated in the hands of a few secretaries or even in the hands of its first secretary. "The first secretary took command" in all matters. As a result, the party's unified leadership became leadership by an individual and autocracy and personality cult developed. In this way, a system characterized by the replacement of the government by the party, monopolization, and overconcentration of power was being gradually perfected.

As the party shifted the focus of its work onto socialist modernization and, in particular, as it began its comprehensive reform of the country's economic structure, the long-standing political system, characterized by an overconcentration of power, had become increasingly incompatible with the development of our socialist cause and its defects had even become irremediable. Concerning this, Comrade Deng Xiaoping unambigouously pointed out that: "Only when these defects are resolutely removed through planned, systematic, and thorough reforms will the people trust our leadership, our party, and socialism. Then our cause will truly have a future of boundless promise." (Deng Xiaoping "Selected Works Of" p 293)

Overconcentration of Power Is The Source of All Troubles [subhead]

Ours is a unitary socialist country. Thus, concentration of power is a must. However, like centers of infection in our tissues, overconcentration of power causes troubles. By examining the defects of the current political system, one will discover that all of them are either directly or indirectly related to overconcentration of power. It can be said that overconcentration of power is the ultimate source of all these defects.

First, it leads to the overstaffing of organs, unemployment, selfishness, and inefficiency in general. As a result of overconcentration of power, administrative organs have grown larger and they are becoming increasingly overstaffed. In particular, the number of temporary organs and government-run enterprises is increasing sharply. Laterally, the departments on each level are too many and too overstaffed. Hierarchically, there are too many levels and departments on different levels overlap. Given these overstaffed and overlapping departments and organs, the administrative staff is extremely large and is growing bigger. These organs and their personnel have to find "work" to do. Therefore, they strive for power and strive to keep it in their hands. They simply centralize decentralized power and hence cannot arouse their subordinates' enthusiasm. Because of their ill-defined duties and points of reference, they evade responsibilities and work and pass them on to others. Insufficiency is an "incurable disease" in the country's administrative organs.

Second, it leads to bureaucracy and the practice of giving arbitrary and impractical directions. For a long time, the powers of our enterprises and institutions have been concentrated in the governments' hands and the governments' own powers have in turn been concentrated in the hands of party committees. Because of all this, our leadership organs at various levels are managing many affairs that they should not and cannot manage and bureaucracy has inevitably resulted. Many things that could have been properly done at lower levels were placed in the hands of the party's and the government's leadership organs and hence were not satisfactorily done. In the face of complicated and unfamiliar tasks, a group of people or an individual cannot immediately "make the right decisions." Naturally, they are liable to make mistakes and give arbitary and impractical directions.

Third, it erodes and weakens the government's functions and capacities and the party's leadership. Because of this prolonged overconcentration of power, people are used to equating party leadership over everything with party monopolization of everything and many comrades working on party committees feel that they have nothing to do if they do not direct specific administrative affairs. Thus, more often than not, party organizations directly interfere in and direct all government work. It looks as if the more things they monopolize the better they have strengthened party leadership. By doing this, they have dampened government departments' enthusiasm, prevented government organs from efficiently making overall decisions and policies and from efficiently directing their execution, turned government departments into ones dependent on party organizations, and made the entire state administrative system inefficient and slow in action and reaction. In addition, because of all this, party organizations are preoccupied with specific administrative affairs and they have neither the time nor the energy to handle important matters and strengthen the party's ideological, political, and organizational construction. Actually, party leadership has weakend as a result of this.

Fourth, it constitutes the basis for the existence of the idea that prerogatives and privileges go with position and ranking and gives rise to various unhealthy practices. The idea that prerogatives and privileges go with position and ranking is a feudalist product. However, today it still exists in society. This is directly related to the overconcentration of power in our country. The more power is concentrated the more serious a problem the idea that prerogatives and privileges go with position and ranking becomes. Facts tell us that the unhealthy tendencies among both party members and common people are primarily a result of the privileges enjoyed by some party and government organs and their leaders and that some people practice favoritism, receive bribes, and pervert justice by taking advantage of their positions. The ideas that prerogatives and privileges go with position and that government officials enjoy a much higher status than the people are corroding the souls of many. Precisely because of this, we must not simply account for the unhealthy tendencies in terms of some personal qualities and character traits. We should be able to see the relationship between these tendences and the overconcentration of power given rise to by our system.

And fifth, it can easily result in autocracy and is the greatest obstacle to our endeavor to bring about political democracy. Without a high degree of democracy, socialism and modernization are out of the question. However, our version of democracy refers to the situation where the people are the masters of their own affairs, not to the practice of "acting as the people's masters." History and facts tell as that there is no great difference between overconcentration of power and autocracy. People's democratic rights shrink as power is being concentrated. In he event that power is concentrated in the hands of a few, autocracy will germinate and the people will be deprived of their democratic rights. If we cannot thoroughly solve the problem of overconcentration of power in our system. We cannot even begin to talk about inner-party democracy and socialist democracy and political democratization is nothing but idle talk.

The reform of the political system is a complicated large-scale social systems engineering project. It involves many things and requires us to solve many problems. It must be executed in a guided, planned, and step-by-step manner. A central objective of the reforms is to solve the problem of overconcentration of power. The goals of these reforms are to arouse the people's enthusiasm, to combat bureaucracy, and to establish a highly democratic, highly lawful, and highly efficient sociopolitical system. This should be regarded as the fundamental ideological guidance for the current reform of the political system.

Whether we can solve the long-standing problem of overconcentration of power directly bears on the success or failure of the reform of the country's political system. Since the founding of the country, we have made many attempts, including three major ones, to streamline and reform our organs. However, all these attempts were aimed at "streamlining the organs and reducing staff size." Emphasis was placed on abolishing and streamlining some organs and on changing some hierarchical relations. However, the result has always been that streamlined organs were again expanded. There was a cycle of repeated expansion and streamlining. All this happened because we had carried out reforms without significantly changing the economic structure. However, an even more important reason is that confined by the old system, we did not even bother to take a cursory look at the important problem of overconcentration of power. In recent years, in the course of the reform of the country's economic structure, by focusing our attention on the crucial problem of the rigid control and centralization characteristic of the old economic structure, by centering our efforts on the revitalization of enterprises, by delegating greater decision-making power to them, and by adopting various new measures, we have been able to make some breakthroughs and bring about an unprecedentedly lively economic situation in the urban and rural areas. Our experience, whether positive or negative, tells us that in a country like ours, one cannot even take a single step forward in one pays no attention to the crucial problem of overconcentration of power in reforming various aspects of the country's political system.

In order to solve the problem of overconcentration of power, it is necessary to introduce a reasonable division of labor between the party and the government and to put an end to the party's past practice of usurping the role of the government and monopolizing everything. As a matter of principle, after the seizure of political power by the proletariat, there should be a division of labor between the party and the government. On the other hand, we should also correspondingly separate the two as far as structure and functions are concerned, introduce specific criteria for a rational division of labor on various levels, and put an end to the party's practice of medding in government administrative work and directing production. On the other hand, however, we should adhere to the principle that the party exercises political, ideological and organizational leadership over government work. We do this not to weaken the party's leadership, but to strengthen and perfect it under new historical circumstances.

At the same time, it is necessary to separate government from enterprise functions and to put an end to the absence of a clear line of demarcation between the government and the enterprises and to the government's practice of usurping the role of enterprises. This is a necessary fundamental measure called for by the reform of the country's economic structure for solving the problem of overconcentration of power. At present, we should, in accordance with the objective laws governing the development of a socialist commodity economy, continue to implement the principle of simplifying administration and decentralizing power. [paragraph continues]

Government departments at various levels, which in the past exercised microeconomic control, directly interfered in the enterprises' business, employed administrative means only in business matters, and supervised the country's administrative system on the basis of its administrative division, should from now on switch to macroeconomic management, provide a combined service, mainly rely on economic levers and regulations, and give impetus to the development of lateral economic ties. In addition, while bringing about these changes, they should gradually establish a new management system, the corresponding policy formulation and coordination system, an independent and effective supervision system, and a sensitive and accurate feedback system, in order to put an end to the overconcentration of power regarding the country's administrative system. Apart from this, they should now put down structural reforms and the reform of the personnel and cadre management system on their work schedules. Structural reforms should begin with a change in functions and with downward and lateral decentralization of power. In addition, efforts should also be made on this basis to reduce the number of intermediate levels and the number of overlapping organs, to merge departments doing more or less the same things, to strengthen the advisory and supervisory organs, and to speedily establish a highly efficient administrative system that is compatible with scientific policy-making and modern management.

While trying to make personnel and cadre management democratic and scientific, we should establish a performance appraisal system that is mainly based on actual performance, perfect our election and appointment systems, try to employ workers by administering examinations or by inviting job applications, generally require the leading cadres to assume responsibilities for the fulfillment of certain targets within their terms of office, to swap posts among themselves at regular intervals, and to avoid assignments to certain departments or certain parts of the country, eliminate such long-standing bad things in the current cadres system as the idea that one can only be promoted and be an official but never be demoted or be an ordinary person, the practice of accepting appointments but never dismissals, and that idea that it makes no difference whether one does something satisfactorily or not if one does anything at all, make competition equal, and give talented people a chance to show their talents and abilities, in order to invigorate and revitalize our cadre contingent.

In order to solve the problem of overconcentation of power, it is necessary to eliminate the pernicious influences of feudalism and despotism. The problem of overconcentratin of power, and the many headaches it has caused, such as bureaucracy, the patriarchal system, the leading cadres' life tenure of office, the idea that privileges and prerogatives go with position, and so on, are all historically related to feudalism and despotism. Thus, in this sense, the elimination of the remaining influences of feudalism and despotism is a necessary condition for the reform of the country's political system. We should have a very clear understanding of this.

GUANGMING RIBAO STRESSES SPIRITUAL CIVILIZATION

HK090511 Beijing GUANGMING RIBAO in Chinese 29 Sep 86 p 2

[Editorial: "The First Thing Is To Conscientiously Study the Document"]

[Text] The resolution on the guiding principle for building socialist spiritual civilization, which was adopted by the recent 6th Plenary Session of the 12th CPC Cetral Committee, is an important historical document. It embodies the spirit of the 12th CPC National Congress and sums up the experiences of the past few years. [paragraph continues]

It is the result of our party's efforts to encourage the free airing of views and solicit opinions from all sides and the outcome of the collective wisdom of people both inside and outside the party. Like the resolution on reform of the economic structure, this document, which is characterized by its rigorous scientific approach, strong sense of the time, and courage to carry out bold reforms and blaze new trails, will go down in the history of our party.

In the resolution, the building of spiritual civilization and adherence to the four basic principles are closely linked with the policy of reform and opening up to the outside world. The resolution is divided into eight parts, including ideological and moral education and the development of education, science, and culture. But in order to adhere to the orientation pointed out by the resolution, the most important things for us are: Adhering to the four basic principles and adhering to the policy of reform and opening up. It is wrong to forget or deviate from either of the two. We must clearly understand that in China, building socialist spiritual civilization is, fundamentally speaking, aimed at serving these two things and centered on these two things.

The resolution provides the whole party and the people throughout the country with a programmatic envisagement of building socialist spiritual civilization. After it was adopted, it became a code of conduct for all comrades in our party. It depends on the common efforts of the whole party and the people throughout the country to turn this envisagement and code of conduct into reality and to make the flower of spiritual civilization blossom in the vast land of China. We would like to emphasize that, at present, the first thing to do is to conscientiously study this document so as to gain a good understanding of the orientation and spirit of the document. At the same time, before we carry out various tasks of building spiritual civilization, we must also make an investigation of the real situation of our own area and department. We must not attempt to carry out the tasks before gaining a clear understanding of the spirit of the document so that deviations may be prevented.

The ideological and theoretical fronts have a particularly grave responsibility in publicizing and implementing the resolution. The resolution expounds many questions concerning ideals, morality, democracy, the legal system, discipline, and so forth, and points out their position and role in the building of socialist spiritual civilization. But how do we use the Marxist viewpoints and methods to further explain in a scientific and convincing way and in light of the spirit of the resolution the above-mentioned questions as well as other questions concerning equality, humanity, humanitarianism, truth, social practice, authority, and sense of organization; to correct all kinds of confusion and misunderstanding and erroneous ideas; and to help people gain a correct and deep understanding of these questions so that they can throw themselves into the great practice of building socialist spiritual civilization more conscientiously? This is a glorious task for the broad masses of ideological and theoretical workers. We are glad to see that since the 3d Plenary Session of the 11th CPC Central Committee, encouraged by the policy of reform and opening up, the ideological and theoretical fronts are unprecedently active. People are making bold explorations, blazing new trails, contending with one another, and displaying a creativeness and courage never seen before. This good trend is just in the ascendant. This trend must be continued, and the atmosphere of those years in which "ten thousand horses were all muted" should never recur. However, the current situation, which is characterized by the rising and contention of a hundred schools of thought, has also put forth new and pressing demands on ideological and theoretical workers, especially scholars and experts of great attainments. It is hoped that they will work harder and more actively and make a conscientious study of the materials they have collected in light of China's realities so that they can answer the new questions that have inevitably come up in the course of reform and opening up with more convincing and persuasive materials, and so that they can describe new practical experiences in theory, which can help build up our confidence in our advance and guide our practical work. We believe that encouraged by the spirit of the resolution, the broad masses of ideological and theoretical workers will certainly achieve greater successes in this respect.

LIAOWANG ON SPIRITUAL CIVILIZATION, OPENING UP

HK090427 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 8 Oct 86, p 10

[Article by Yu Guangyuan: "Actively Build Up Spiritual Civilization in Regard To Opening Up to the Outside World"]

[Text] The topic of this article certainly does not express my general viewpoint on the building of spiritual civilization. I would like to use three sections to summarize my general viewpoint on building spiritual civilization. That is, we should: Warmly welcome the constructin of modern material civilization and the progress in the construction of spiritualk civilization brought about by reform and opening up; make great efforts to build spiritual civilization so as to suit it to the requirements of the speedy development of material civilization and of reform and opening up; correctly handl and effectively solve the contradictions which appear in material civilizations development, reform, and opening up.

In order to have a correct understanding of spiritual civilization, I think that we should: Correctly understand the position and role of spiritual civilization in the process of fulfilling the historic task in the present stage in our country -- to build ours into a socialist modern power; and correctly understand the relationship between spiritual civilization and modern material civization, reform, and opening up. Therefore, we must on the one hand adhere to the basic Marxist guiding principle that the superstructure and ideology must consolidate and develop the relations of production which can most effectively promote the development of social productive forces; and on the other hand, must fully realize the progress in our country's spiritual civilization since the 3d Plenary Session of the 11th CPC Central Committee and the problems which still exist in this field. The above-mentioned three sentences are summarized in light of this idea.

Of course, I do not think that the three sentences can accurately define spiritual civilization thoroughly; but I do think that this proposition is better than opinions which hold that progress in the building of spiritual civilization is rather poor or that the building of spiritual civilization is for the purpose of preventing something.

Now, the topic of this short article -- "Actively Build Up Spiritual Civilization in Regard To Opening Up to the Outside World" -- only discusses an issue in spiritual civilization as a whole, but it is an important issue. What I mean by this topic is that the building of spiritual civilization in our country must not be under secluded and xenophobic conditions which reject progressive foreign culture. That is to say, thebasic national policy of opening up to the outside world not only applies to the development of material civilization, but also applies to the building of spiritual civilization.

Throughout China's history, there have always been two opposite attitudes toward foreign culture. China assimilated a great deal of foreign culture in ancient times, and this is one of the factors in the high degree of development of Chinese culture. People in history who made outstanding contributions in this regard are still held in esteem. One attitude is to cherish and actively introduce superior foreign culture. The other attitude is to seclude the country from the outside world and reject all foreign things. [paragraph continues]

China has a time-honored civilization, vast territory, and a large population, but it stayed at the feudal stage for a very long time. It is understandable that there is a deep-rooted idea of underestimating and rejecting external culture, for the old, feudal China, whose economy and culture were so backward, could only protect itself by adopting this xenophobic attitude toward progressive culture from the outside world.

Marx said in 1853, "The primary condition for preserving the old China is its complete seclusion from the outside world."

However, the national seclusion policy of the Qing empire could not check the progressive trend in the world. China's social progress after the Opium War was inseparable from the introduction of external culture. In the period between the middle of the last century and the "May 4th Movement" in 1919, because the Chinese people accepted the democratic political concept of the Western bourgeoisie and natural sciences from the West, the old democratic revolution occurred in China, and science and technology in China developed markedly and gave a great impetus to China's social progress. China's new democratic revolution and the founding of socialist system in China were further results of the introduction of Marxism, which was founded on the basis of Western culture and was developed by the Russian people. Historical facts have proved that it is impossible for China to make progress or develop when China rejected progressive things from other parts of the world.

Now as we are building a modern socialist country, it is more necessary for us to absorb foreign progressive culture. We should cherish our nation's fine traditional culture and should not improperly belittle ourselves. Therefore, we should continue to discover and carry forward all good things in our traditional culture, including things left over from ancient times and formed during our revolution. However, we should also acknowledge that things we inherit from the past are generally rather backward, and that we will not be able to realize the four modernizations if we do not particularly emphasize the assimilation of foreign progressive culture, because the essence of the four modernizations is to approch the world's advanced level. In the next few decades, we must really grasp all important achievements of the civilization of the modern world; otherwise, there will not be any modernization in our country. Of course, not all foreign things are progressive, and not all foreign progressive things are suited to our needs. Moreover, some things we urgently need do not exist in our traditional culture or in foreign progressive culture. So we will have to create and develop such things. Here I mainly refer to scientific Marxism, which guides socialist construction. It is now urgently needed in our modernization process, but it is not ready-made and we must make great efforts to develop it.

Concrete analysis should be made for concrete things. Foreign culture should also be analyzed concretely so that we can adopt a correct attitude toward a specific culture. However, this is practical and scientific work, and it is not easy to make correct judgments. I think that we should not absorb anything blindly and should not reject anything blindly. Instead, we should adopt a sceintific and selective attitude. First, we should have a good understanding of the things which we will absorb or reject, and should make objective and realstic studies. This is the scientific attitude that we should have when we make a judgment.

It should also be pointed out that foreign culture is a very great object of study (its contents are extremely rich). Some parts of it are very complicated. Therefore, people should not make a judgment recklessly. In this regard, we need extensive discussions and should pursue the principle of letting a hundred schools of thought contend. Only thus can we become more conscious in absorbing foreign progressive culture and prevent blindness.

DENG CONFRONTS CHEN YUN IN STANDING COMMITTEE

HK081538 Hong Kong CHENG MING in Chinese No 108, 1 Oct 86 pp 8-12

["Notes on a Northern Journey (2)" by Lo Ping (5012 0393): "Deng Xiaoping Criticizes Chen Yun at Meeting" -- capitalized passages published in boldface]

[Text] One of the Ten Major News Items [subhead]

If there is a selection of 10 major news items of 1986, the following one will certainly be chosen:

The 6th Plenary Session of the 12th CPC Central Committee evaded China's most important and pressing issue -- the reform of the political structure.

The news is unusual because China's economic reform has encountered tremendous difficulties which can be resolved only by carrying out the reform of the political structure. However, the policy-decision makers of the CPC have knowingly neglected the matter.

It is strange because China's theoretical circles are discussing the reform of the political structure with unprecedented boldness and enthusiasm. Although the principal members of the CPC Central Committee also took part in the "political reform" chorus, the issue was not even included in the agenda of the sixth plenary session.

It is unusual because many problems in the ideological field cannot be resolved without the reform of the political structure. The sixth plenary session attended to trifles and neglected the essentials by merely discussing the question of spiritual civilization, irrespecive of the reform of the political structure.

Why did the party's important meeting evade the pressing issue of the moment?

The following is the message from Zhongnanhia's red enclosure: The top CPC levels did not reach consensus on the question of political reform. There were heated disputes on the issue at the preliminary meeting for the sixth plenary session held in Beidaihe. There was an endless debate even on the question of separating party leadership from government administration at the lower levels. The failure to settle the question of the excessive powers of the Central Discipline Inspection Commission and its interference in too many fields at the meeting particularly annoyed Deng Xiaoping.

Deng Xiaoping Criticizes Central Discipline Inspection Commission at a Meeting of the Political Bureau Standing Committee [subhead]

According to the reformers, a number of the Central Discipline Inspection Commission members have abused their powers and willfully attacked the reformers in compliance with Chen Yun's intention. This was unfavorable to reform. In view of such a situation, Deng Xiaoping, Hu Yaobang, and Zhao Ziyang asked Qiao Shi to take charge of the leading group of party rectification of the central organs early this year so as to restrict the Central Discipline Inspection Commission. However, most of the leaders and cadres of the Central Discipline Inspection Commission acted as before and rode roughshod over the government. [paragraph continues]

Irritated by such a state of affairs, Deng Xiaoping, in front of Chen Yun, criticized the practices of the Central Discipline Inspection Commission at a meeting of the Political Bureau Standing Committee.

A month ago, ORGANIZATION AND PERSONNEL carried Deng Xiaoping's speech on reform of the political structure. So far as I know, Hong Kong's newspapers issued and quoted the reports of this magazine. But I do not know whether the responsible persons of the magazine read the full text of Deng Xiaoping's speech from the central document or they whether intentionally omitted a very important part of Deng Xiaoping's speech.

A friend of mine who had read the red-letter-headed document of the CPC Central Committee told me that Deng Xiaoping's speech was made at a meeting of the Political Bureau Standing Committee on 28 June this year. While quoting Deng Xiaoping's speech, ORGANIZATION AND PERSONNEL omitted two very important passages:

AS REGARDS THE RELATION BETWEEN THE PARTY AND GOVERNMENT, THE PARTY SHOULD RUN AFFAIRS CONCERNING INNER-PARTY DISCIPLINE, WHILE MATTERS INVOLVING LAW SHOULD BE HANDLED BY THE STATE AND GOVERNMENT... THIS IS A QUESTION RELATED TO THE POLITICAL STRUCTURE.

NOW MOST OF THE OFFENDERS ARE EITHER TEENAGERS OR YOUNG PEOPLE IN THEIR TWENTIES. AROUND THREE-FOURTHS OF THEM ARE JUVENILE DELINQUENTS. IF THESE CRIMINAL OFFENSES ARE RELATED TO THE PROBLEMS OF PARTY RECTIFICATION AND ARE UNDERTAKEN BY THE CENTRAL DISCIPLINE INSPECTION COMMISSION, IT WOULD BE DISADVANTAGICUS TO FOSTERING A SENSE OF LEGAL SYSTEM.

Obviously, these remarks are aimed at Chen Yun and the Central Discipline Inspection Commission. The Central Discipline Inspection Commission undertook the affairs of criminal offenses which were the responsibility of the government and state and regarded them as problems to be solved in party rectification because it was Chen Yun's idea. In a speech delivered at the sixth meeting of the Central Discipline Inspection Commission held on 24 September, Chen Yun emphatically pointed out: "The duties of the Central Discipline Inspection Commission include: Those who violate party and government discipline should be resolutely dealt with according to party and government discipline. Those who break the law should be dealt with according to the law. The discipline inspection commissions at all levels should act in light of this principle. Otherwise, it would be a dereliction of duty." "The Discipline Inspection Commissions at all levels should make arduous efforts focused on going a good job of party rectification." It has been reported that Chen Yun expressed these views time and again at the meeting of the Political Bureau Standing Committee on 28 June and the Beidaihe conference in August.

Zhao Ziyang Also Expressed Dissatisfaction With the Central Discipline Inspection Commission [subhead]

While criticizing the Central Discipline Inspection Commission for meddling in too many affairs, Deng Xiaoping was tactful to say that "it would be disadvantageous to fostering a sense of legal system." To put it bluntly, some practices of the Central Discipline Inspection Commission contravene the state laws.

Zhao Ziyang was also discontented with the Central Discipline Inspection Commission for meddling in too many affairs. [paragraph continues]

In his speech delivered at the conference of governors on 16 June, Zhao pointed out:

SOME LOCALITIES HAVE GONE TOO FAR IN CERTAIN ASPECTS AS TO REGARD THE FLEXIBLE MEASURES TAKEN TO INVIGORATE THE ECONOMY AS VIOLATION OF FINANCIAL DISCIPLINE.

It is quite obvious who Zhao's remark is aimed at.

The problems mentioned by Deng Xiaoping and Zhao Ziyang are not rare. Moreover, some people who had connections with the Central Discipline Inspection Commission even violated the laws in the name of the commission. The following story took place in Shenzhen:

When the conservatives launched a nationwide offensive against the reformers of the special economic zones and other parts of the country under the pretext of attacking economic crime, the son of a chief leader of the Central Discipline Inspection Commission who worked in the Army, his sworn followers, and the son of the former vice chairman of the PLA General Political Department launched an attack, like the struggle waged during the Cultural Revolution, against the responsible person of the scientific and technological company jointly run by the Ministry of Railways and the Ministry of Foreign Economic Relations and Trade.

"Those Who Are Against Comrade Chen Yun Will Come to No Good End" [subhead]

First, they used the method of sneaking and writing anonymous letters to the CPC Central Committee and the Discipline Inspection Committees of the Ministry of Railways and the Ministry of Foreign Economic Relations and Trade lodging a false accusation against the responsible person of the company. Then, without authorization, they seized the company's chop and relieved the head of the personnel department of his post in the name of the party. They used paper strips to seal up archieves and offices, seized all the powers of the company, and organized, in the name of the party branch, all staff members of the company to study Chen Yun's "Speech at the National Conference on Exchanging Experience in Correcting Party Style (29 June 1986)" and "Speech at the Sixth Plenary Session of the CPC Central Committee's Discipline Inspection Commission (24 September 1986)." They insinuated that those who are against Comrade Chen Yun will come to no good end.

After seizing power in the company, they made long distance calls from Shenzhen to Beijing almost evry day, and sometimes several times a day. They openly declared: "The companies to be closed must be shut down and those to be executed must be shot." Moreover, they also made a bellicose remark saying that "the time is ripe."

Meanwhile, the Central Discipline Inspection Commission and the Discipline Inspection Committee of the Ministry of Railway respectively sent work teams to Shenzhen to collect evidence of the crime of the responsible persons. Behind closed doors, they encouraged the staff members to expose the economic and work style problems of the responsible rersons. However, they did not discover anything useful.

Why was the responsible person of the company the target of their criticism?

It has been reported that the question is related to retaliation.

One day, the responsible person unintentionally discovered a young fellow embracing a female staff member of the company in the meeting room. Later, the female staff member (a demobilized soldier from Beijing) was dismissed. Another man was blamed by the responsible person for adopting too many daughters in Shenzhen. In addition, he promised to send some people to the United States to make observations for a project. Due to various reasons, the project was cancelled. The responsible person had the following complaints: I did not criticize their unhealthy tendiencies. Conversely, they used the methods prevailing during the Cultural Revolution to attack me. A staff member of the company said: "It is really shocking to say that those who are against Chen Yun will come to no good end."

In their capacity as members of the Central Discipline Inspection Commission, those who attacked the responsible person of the company put on grand airs as if they could represent the state laws and the people in enforcing the law.

Following a "lawsuit" later, these people left Shenzhen for Beijing. Some joined the Ministry of Railways and others the China International Trust and Investment Corporation.

This example shows how far certain CPC cadres, including children of influential families, have gone in violating the law and discipline.

"Little Tricks" Played on Four Members of the Political Bureau Standing Committee [subhead]

Bo Yibo, who was a conservative in the past and who recently appeard in the guide of middle element, said at a closed-door meeting:

Some people have recently played tricks not only on the members of the Political Bureau but also on the members of the Political Bureau Standing Committee.

A friend who heard a report relayed only to the high-ranking CPC officials told me that Deng Xiaoping, Hu Yaobang, and Chen Yun received many anonymous letters. The problems of a number of Political Bureau members were exposed and "little tricks" were played on four out of the five members of the Political Bureau Standing Committee.

There were actually six members in the Political Bureau Standing Committee. With Ye Jianying's withdrawal, there are only five members left, including Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun. Apart from Li Xiannian, the other four were all involved in the "trouble."

Hu Yaobang -- Some people said that Hu Yaobang's son Hu Deping meddled in the Wuhan Donghu Intellectual Resources Exploitation Company, which had some economic problems. This was not actually the case. Indeed, Hu Deping gave the Donghu company moral support and hoped that the company could exploit intellectual resources. Due to its failure in exploiting intellectual resources, the Donghu company fstarted to do business. As a result, the company was involved in economic problems. This, however, has nothing to do with Hu Deping.

Deng Xiaoping -- Deng Xiaoping's son Deng Pufang was also involved in the rumors because he was in charge of several companies. Deng Pufang's companies recently did a great deal of good business. They also succeeded in doing business in raw silk which was attainable by other companies. Nevertheless, it is said that the income of the companies went to the China Fund for the Handicapped rather than Deng Pufang's pocket.

Zhao Ziyang -- There are many rumors about Zhao Ziyang's eldest son Zhao Dajun. However, as he is engaged in science and technology, the main task of the Shenzhen New Technology Development Company under his charge is to introduce advanced foreign science and technology. A Shenzhen periodical recently said that Zhao Dajun, who is a bit bookish, is "worthy of being the premier's son." I do not know whether this statement is exaggerated or not. However, there is no evidence so far to prove that Zhao Dajun is involved in economic problems.

Chen Yun -- Chen Yun's son Chen Yuan, who is a member of the Beijing Municipal CPC Committee, is free of economic problems. Some people said that he borrowed money to do business while he was a member of the Western District CPC Committee. It is still difficult to verify whether he is involved in economic problems. Some people complained about Chen Fang, another son of Chen Yun working in the Army, saying that he obstructed reform with his father's influence. It is also very difficult to verify this accusation.

There are also rumors about the family members of Ye Jianying, who has withdrawn from the Political Bureau Standing Committee. However, only Ye Jianying's son-in-law Liu Shikun has been arrested so far. It is said that Liu Shikun is involved in economic problems.

The Ins and Outs of Liu Shikun's Arrest [Subhead]

"Notes on a Northern Journey" reported the news about Liu Shikun's arrest in previous issues. I would like to make some additional remarks. Liu Shikun was suspected of reselling gold and the Public Security Bureau was aware of the fact. As a son-in-law of Ye Jianying, he was not arrested. Liu Shikun was arrested on 29 April this year when Ye Jianying was in a coma. Before Liu's arrest, he occupied two sets of apartments in Beijing's Fuxing Menwai Road. When he apartments were distributed to him, he refused to move in because he was dicontented with the fact that the housing conditions of the rest of Ye Jianying's children were much better. For example, Ye Xuanning lived in the ministers' building. The ministers and the late Chen Yonggue and Ding Ling also lived there. It is said that the housing conditions of Liu Shikun's former wife Ye Xiangzhen were also better than his. For this reason, Liu had a lot of complaints. Although he moved into the apartments later, he often stayed overnight elsewhere. It is said that he lived with a woman called Lu in an army residential compound. The Beijing Municipal Public Security Bureau and the Ministry of State Security collected abundant evidence of Liu's economic crime by tracing him (and even using espionage methods of sending a female public security officer to make friends with Liu). In February this year, Liu Shikun suddenly received a telegram from Hong Kong asking him to go to Hong Kong at once because a relative in Hong Kong had been seriously injured in a traffic accident. Liu Shikun immediately submitted his application to visit Hong Kong to the Public Security Bureau. Believing that this was a false excuse invented by Liu in collaboration with his relative in Hong Kong, the Public Security Bureau rejected his application. Then, Liu realized the seriousness of his problems. Later, the public security officers discovered that Liu often dumped rubbish late at night or threw papers into the nightstool. Liu was not tried in public for a long time after his arrest. It is said that his problems can be solved only after Ye Jianying's death. Before that day, no one would dare harm any member of Ye's family.

Hu Qiaomu Writes Letters Pleading for Mercy [subhead]

The "little tricks" were played on the Political Bureau Standing Committee members, to say nothing of the Political Bureau members. I would like to say something about Hu Qiaomu's son Hu Shiying.

The exposure of Hu Shiying's economic problems is a "major action" rather than a minor one.

However, there has been no result of Hu Shiying's sentence (at least condemned to death with the sentence suspended) which was to be pronounced before September this year. Even the RENMIN RIBAO reporters were puzzled as they prepared to report the case. It has been reported that Hu Qiaomu once issued order to investigate the "leakage" incident. The so-called "leakage" referred to the exposure of his son's crimes. Hu Qiaomu clamored that Hu Shiying's arrest reported by "China's newspapers" in Hong Knong is the gravest scandal in the press circles since the founding of the PRC. journalists from Beijing told me that Hu Qiaomu confused right and wrong. While Hu Qiaomu can shield his son, isn't it unreasonable to regard the exposure of his son's crimes as scandal? A cadre working in the propaganda department said that Hu Qiaomu wrote letters to the propaganda department (and possibly to other departments as well) when he heard that his son would be sternly punished. Those who had a chance to read Hu Qiaomu's letters said: Hu merely stressed that he was old and feeble, which actually meant that if his only son is executed, he will not be able to continue his family line. Thus, the people here say that Hu Qiaomu attempts to plead for mercy, but you cannot find a single word asking for mercy from his letters. Some people said sarcastically: You cannot but admire the literary talent of this "theoretical authority" of the CPC.

In fact that the case concerning Hu Shiying has been unsettled for a long time (some people say that it will possibly end up with nothing definite) also indicates many problems. Since it is so difficult to deal with the cases concerning Liu Shikun and Hu Shiying, can it be an easy job to carry out political and administrative reform, to separate party leadership from government administration, or to decentralize power?

Deng Has A Very Sincere Personal Relationship With Li Xiannian and Hu Qiaomu [subhead]

The most outstanding inner struggle of the CPC high echelons of leadership at the present stage is that between the reformers and the conservatives. There is a clear line of demarcation between the two parties but sometimes the line is not so clear. First, since they are not two diametrically opposed political organizations, even if they bear some semblance of an organization, they are not a solid entity. Second, each has its own members in the other side. There is a considerable tendency to reform on the side of the conservatives an the reformers are more obviously conservative in thinking and action in one or another way. Third, with different political views left aside, the two parties have a thousand and one links. Some reform contenders have a very sincere relationship with those inclining to conservatism. It can thus be seen that it seems not very appropriate to divide people into reformers and conservatives by judging their attitude toward reform. However, it may probably do if we take their basic attitude and tendency toward reform as a criterion for making a demarcation line between the two sections of people.

Over the last few years, people have found it hard to understand clearly the relationship between Deng Xiaoping on the one hand and Li Xiannian and Hu Qiaomu on the other, a problem as abstruse as a mystery. Their attitude toward reform is not the same. On the question of the reform, Hu Qiaomu is more conservative, obstinate, and rigid than Li Xiannian is. However, he has all along managed to retain his membership in the Political Bureau and his status as a "theoretical authority." Why is this so? The previous answer was that Hu Qiaomu had the backing of Chen Yun. but how long can Chen Yun's backing last? The other answer is that no one in the party high echelons of leadership can replace Hu Qiaomu's status as a "theoretical authority." However, through the several theoretical engagements over the last few years, is Hu Qiaomu's "authority" not already all gone? Not long ago a friend of mine who was in the know about the high echelons of leadership told me a "secret": Deng Xiaoping has a very good personal relationship with Li Xiannian and Hu Qiaomu.

Another friend said: Deng's personal contacts with Li and Hu is a tactic of disintegrating the conservatives while Li and Hu have to make friends with Deng in order to retain their power. I beleive the two factors are probably true. Recently an interesting thing happened that reflected the good relationship between Deng Xiaoping and Li Xiannian.

Deng Xiaoping Has Saved Zhang Xianliang [subhead]

Following the publication of his novel "Half of Man Is Woman," Zhang Xianliang had to face a situation of being criticized. Some publications were ready to publish critical articles. At this critical juncture, there were two CPC high-ranking officials who accidentally save Zhang Xianliang. They were Li Xiannian and Deng Xiaoping.

One day Li Xiannian met with his youngest daughter and daughter-in-law Liu Yazhou. It happened that they discussed Zhang Xianliang's novel "Half of Man Is Woman." Being aware that some people at the lower levels were organizing forces to criticize the novel, Li Xiannian asked his daughter-in-law: What does the novel describe?" Liu Yazhou said in reply: "It eulogizes the Xiaoping line." Later on Li Xiannian informed Deng Xiaoping of this remark. Hence, there was a complete turn for the better in the fate of the author.

After telling me these stories, my friend in the know said: It can thus be seen how important connections are. This also shows that "China today is still ruled by a man and the practice of one person laying down the law remain prevalent. These two phenomena have not yet changed."

I believe that as far as a country's political system is concerned, it is much easier to move from being deomocratic to totalitarian than from being totalitarian to democratic. The more power one has in his hands, the more reluctant he is to hand over or share his power. The reformers and the conservatives have something in common in this regard. Here lies the fundamental reason for the failure to smoothly carry out the political structural reform. This being the case, what will the economic reform which is expected to be carried out hand in hand with the political reform become? Will it or can it be carried out further? What will the consequences be if reforms are not thoroughly implemented?

What a miserable China! What a historical course of misery!

ZHANG JINGFU SUPPORTS BUILDING OF SPACE INDUSTRY

OW081146 Beijing XINHUA in English 1124 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) — China will accelerate its satellite launching service for foreign countries as a contribution to the peaceful use of outerspace, State Councillor Zhang Jingfu said here today.

At a meeting to celebrate the 30th anniversary of the founding of China's astronautics industry, Zhang said, "we oppose the super powers' expansion of the arms race into outerspace, and support people of the world who are using it for peaceful means."

Up to now, 17 foreign companies have contacted for the use of China's rockets to launch their satellites, according to the Ministry of Astronautics.

"The country is trying to boost the development of its space industry by seeking international cooperation nad importing advanced technology," Zhang added.

He called on Chinese specialists and technicians to develop and manufacture practical satellites and carrier rockets to serve the urgent needs of the national economy, culture, science and defense.

"To meet the worldwide challenge of the new technological revolution", he said, "Chinese scientists should closely watch the international space industry and do research to keep pace with it."

Vice-Premier Tian Jiyun, State Councillor Song Ping and other leading officials attended the meeting marking the 30th birthday of the industry and to recognize achievements made in the past 30 years.

Qian Xuesen, well-known rocket specialist and president of the Chinese Association for Science and Technology, said "What the scientists should think about is modernization, the world and the future."

Specialists at the meeting said, the country should shift high and sophisticated technology from military to civilian sectors, and apply engineering technology to technical upgrading and innovation as well as improve decision-making policies.

TELECOMMUNICATIONS TRAINING CENTER COMMISSIONED

OW081827 Beijing XINHUA in English 1616 GMT 8 Oct 86

[Text] Beijing, Oct. 8 (XINHUA) -- A center to provide training to Chinese engineers and technicians in posts and telecommunications was commissioned here this afternoon.

The Beijing Posts and Telecommunications Training Center will be the result of an agreement between the Governments of China and Japan signed in September 1984.

The training center will lay stress on developing and spreading new technology.

Courses will cover computers and communications, networks, digital exchanges (stored program control), radio and optical fiber communications.

The equipment in the center will be worth 22 billion Japanese yen.

According to another agreement, the Japanese side will send specialists every year to train Chinese teachers at the center within the next five years. Meanwhile, the center wil also send teachers to Japan to be trained there.

Song Zhiyuan, Chinese vice minister of posts and telecommunications, and Kiyoshi Ozawa, Japanese permanent vice-minister of posts and telecommunications, cut the ribbon for a ceremony to mark the commission of the center.

NUCLEAR POWER PLANT EQUIPMENT CONTRACTS APPROVED

OW080902 Beijing XINHUA in English 0851 GMT 8 Oct 86

[Text] Shenzhen, October 8 (XINHUA) -- Contracts providing foreign equipment for the Daya Bay Nuclear Power Plant in south China's Guangdong Province were approved by Chinese authorities.

Contracts include a nuclear island equipment supply contract, nuclear fuel assembly supply contract, conventional island equipment supply contract and a project services contract.

The Guangdong Nuclear Power Joint Venture Company issued a notice yesterday informing the foreign suppliers of the decision.

The contracts were signed in Beijing on September 23 together with three loan agreements.

With the enforcement of the contracts, a company official said, construction of the nuclear power plant will progress.

FOREIGN FIRMS MAY GET INCOME TAX REDUCTIONS

OW081422 Beijing XINHUA in English 1249 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Offices representing foreign firms in China are in for a pleasant surprise when the tax collector comes calling this year. The businesses will find a 33 percent reduction in their taxable income depending on how they calculate income and expenses.

Under the Chinese tax system, the tax department assess a permanent foreign office's taxable income at 15 percent of its gross income in case a profit and loss statement is not provided. The tax department has now revised its tax provisions and the percentage of taxable income was reduced to 10 percent of gross income on October 1.

"The move is aimed at encouraging foreign permanent offices to expand their business in China," a tax official told XINHUA.

In the spring of 1985 China established a comprehensive system of taxation for permanently based foreign branch offices.

The official said the tax provisions have helped attract foreign firms. The number of permanent foreign offices has increased from 900 to over 1,600 since 1985.

LI GUIXIAN ATTENDS ANHUI MEETING ON PETITIONS

OW260747 Hefei ANHUI RIBAO in Chinese 13 Sep 86 p 1

[By Xin Bin]

[Excerpts] The Anhui provincial party committee, the Standing Committee of the Anhui Provincial People's Congress, and the three General Offices of the provincial government jointly held a meeting on the work of handling the people's visits and petitions 6-9 September. More than 360 persons from the various prefectural, city, and county party committee, people's congresses, and governments and related units directly subordinate to the province attended the meeting. Li Guixian, secretary of the provincial party committee; Yuan Zhen, chairman of the provincial Advisory Commission; Su Hua, vice chairman of the provincial People's Congress Standing Committee; Shao Ming, vice provincial governor; Meng Yiqi, vice chairman of the provincial CPPCC Committee; and Han Xixing, deputy secretary of the provincial Discipline Inspection Commission, attended the meeting Li Guixian and Su Hua spoke at the meeting. Fu Cheng, deputy secretary general of the provincial party committee, delivered a report. Zhao Huaishou, secretary general of the provincial government, gave a summing-up report of the meeting. [passage omitted]

The meeting summed up the major experiences in handling visits and petitions in recent years. It pointed out that the work of handling petitions and visits from the people must be arranged around the party's central task and protect the masses' legal right of reflecting to the leading organs the current situation and exposing problems by means of petitions and visits. it called on the leaders at all levels to fully realize the protractedness and importance of handling petitions and visits from the masses, attach importance to the work of handling petitions and visits, and effectively strengthen their leadership over this work. [passage omitted]

The meeting pointed out that major tasks of handling petitions and visits both at present and in the future are continuously implementing the party policies and handling well problems left over by history. Departments in charge of handling petitions and visits must devote the greater part of their energy to investigating and handling law cases, upholding the correct party style, promoting good social practices, and bringing into full play the role of petitions and visits from the people, thereby serving the reform and economic contruction.

FUZHOU ANNOUNCES PREFERENTIAL LAWS FOR INVESTORS

HK290553 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 29 Sep 86 p 1

[By Tong Ngan]

[Text] The Fuzhou City government in Fujian Province has announced new laws aimed at giving overseas investors preferential treatment over and above those already granted by Chinese state laws.

The latest issue of the CHINA BUSINESS INTELLIGENCE lists clauses in which favourable treatment is granted in matters of taxes an fees, property and sales, management and staff in Fuzhou's Economic and Technical Development Zone (DZ). These included:

A 15 percent income tax cut from national rates on Sino-foreign joint ventures, co-operative ventures and solely foreign-owned enterprises in the DZ, but those having been in operation for more than 10 years should get formal approval of the tax cut from the city tax bureau.

Also, no income tax on DZ enterprises for the first two years of turning a profit, with income tax being cut by 50 percent in the third, forth and fifth years.

DZ enterprises also enjoy reduction-remission of local income tax -- the city government deciding on the merits of individual cases.

No income tax on that part of the profit any foreign investor derives from a DZ joint venture that is intended to remit out of China.

A foreign invesotr who owns no establishments in the DZ but derives income from individuals, interest, rent, license fees and other sources will be exempt from income tax on certain items of his income, or enjoy a 10 percent cut in the levies on other income.

For the supplier of funds and equipment at favourable terms and of advanced technologies who should enjoy more preferential treatment in tax obligations, the city government will also give due consideration.

Building materials, production equipment, raw materials and spare parts, vehicles and office equipment imported by DZ enterprises for their own use will be free of customs duties general tax, except those otherwise regulated by the central government.

But such duties and taxes will be reimposed on the imported materials and parts if they are used to make goods sold on the domestic market instead of being exported as originallly intended.

Household furnishing and cars brought in by foreign businessmen working in DZ for their own use are exempt from customs duties and general tax on imports, within a reasonable limit.

Export products of the DZ enterprises will be exempt from export duties and the general tax, except those products whose export the Chinese government restricts.

The DZ encourages foreign business involved in it to supply new technologies and manufacturing techniques of new products and those capable of upgrading existing enterprises-plants [as published] in the city, Fujian Province, or in the country.

Investors bringing any such new technologies or techniques into the DZ are promised:

--Reduction or deferred collection of charges for the use of land;

--Preference to the supplier of such technologies or techniques when the DZ needs to import commodities from competing suppliers overseas (prices and qualities of the supplies being equal);

--Permission to sell a portion or the bulk of the products in the domestic market when produced by supplier's enterprises;

--A shorter period allowed for depreciation of fixed assets; and

--Preference in contract renewals.

Overseas Chinese from Hong Kong, Macao and Taiwan (or their enterprises) opening productive enterprises in DZ with their own capital may also invite their own relatives living in China to be their agents or work in their enterprises.

This privilege is additional to the usual preferential treatment to which they are entitled under Chinese laws.

Such representatives and employees are allowed to take permanent residence at places where the enterprises are located.

DZ enterprises enjoying preferential treatment in accordance with the above regulations are at the same time entitled to those privileges as provided for by Chinese laws, regulations and decrees.

JIANGSU CADRES URGED TO STUDY CPC RESOLUTION

OW080053 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 6 Oct 86

[Excerpt] The Jiangsu provincial party committee called a meeting of cadres of provincial organs at and above the department and bureau levels in Nanjing on the afternoon of 6 October. Comrades Han Peixin and Gu Xiulian transmitted the guidelines of the 6th Plenary Session of the 12th CPC Central Committee at the meeting, which was chaired by Comrade Shen Daren.

Comrade Han Peixin pointed out: The resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee has further expounded, in accordance with the basic tenets of Marxism and the realities in China, the strategic importance, fundamental tasks, and guiding principles for building a socialist spiritual civilization. The resolution, which is a programmatic document for intensifying the building of spiritual civilization during the new period in China, is of great immediate importance and far-reaching historical significance.

The meeting called on all provincial organs to organize cadres, staff, and workers to diligently study the resolution of the 6th Plenary Session of the 12th CPC Central Committee in order to set a good example for the people throughout the province. Leading cadres at various levels, in particular, should play an exemplary role in studying and comprehending the whole spirit of the document. [passage omitted]

JIANGXI ISSUES CIRCULAR ON PLACING SOLDIERS

OW080041 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 6 Oct 86

[Excerpt] The Jiangxi provincial people's government and the provincial Military District recently issued a joint circular calling on military subdistricts and People's Armed Forces departments in all prefectures, cities, and counties, as well as various departments under the provincial people's government, to do a good job in placing demobilized servicemen and volunteer soldiers being transferred to civilian work this year.

The circular said: Since early October, demobilized servicemen and volunteer soldiers being transferred to civilian work have successfully returned to their hometowns. All localities and departments should do a good job in helping them settle down and transfer to civilian work in accordance with pertinent regulations. [passage omitted]

SHANDONG PREPARES FOR VILLAGE PARTY RECTIFICATION

SK070935 Jinan Shandong Provincial Service in Mandarin 2300 GMT 6 Oct 86

[Text] On 5 October, Comrade Yang Xingfu, member of the Standing Committee of the provincial party committee and responsible person of the Party Rectification Office of the provincial party committee, told responsible persons of the provincial-level press units about the province's preparations for village-level party rectification. He emphatically pointed out: To ensure the smooth progress of village-level party rectification work to be carried out this winter and next spring, all county and city party committees and township and town party committees should now step up preparatory work in places where needed.

Comrade Yang Xingfu said: Our province will soon comprehensively carry out village-level party rectification. Participating in this party rectification will be 80,100 party branches of administrative villages, accounting for 90 percent of the total number of party branches of administrative villages throughout the province. More than 1.829 million party members will also participate in the work, accounting for 52.6 percent of the province's total number of party members. Doing a good job in this village-level party rectification is of great significance in bolstering the fighting strength of the party organizations, enhancing the political awareness of the rural party members, and promoting the building of the two civilizations in the rural areas. In party rectification, we should promote reforms and the development of the rural commodity economy, for these are the basic guiding principles to which we must always adhere. In our understanding and work, we should properly handle the relationship between party rectification and economic work and consider the work of promoting the commodity economy as one of the important tasks in educating party members.

In our work, we should prominently implement three tasks: First, secretaries of the county and city party committees should personally take charge of the party rectification work and adopt effective measures to grasp the village-level party recitification work. By no means should they shift the responsibility to units at each level.

Second, we should do a good job in training party rectification inspectors, party class propagandists, and party rectification liaison men.

Third, based on investigations and study, we should formulate work plans carrying out village-level party rectification. Responsible comrades of the party rectification office of the provincial party committee have divided the work into three groups. They have conducted investigations and study, summed up experiences in a timely manner, and provided the help necessary to places where problems have emerged.

Comrade Yang Xingfu said: This party rectification involves various spheres and many heavy tasks which require us to complete them within a short period of time. The provincial party committee has stressed that to concentrate energies on ensuring the successful accomplishment of party rectification work, in addition to urging the county, township, and town party committees to make careful arrangements and strengthening leadership over the work, the village-level party rectification period, all localitites and departments should try their best not to hold meetings or reduce the number of meetings and not to make visits or conduct investigations.

SHANGHAI SETS UP FUND TO AID WAITING WORKERS

OW011936 Beijing XINHUA in English 1725 GMT 1 Oct 86

[Text] Shanghai, October 1 (XINHUA) -- A special fund will be set up in Shanghai, China's leading industrial center, to help workers waiting for jobs, Jiang Rong, chairman of Shanghai Trade Union Federation, told XINHUA today.

To benefit from the fund are union members from state-owned enterprises who are waiting for jobs after their factories go bankrupt, have completed their labor contracts, or have been dismissed by their employers.

Union members can also count on the fund for help when they meet unexpected difficulties, such as illness, the union chairman said.

The new contract labor system, effective as of today, gives workers greater freedom to choose jobs.

Nevertheless, he said, more social security -- such as his union fund -- would be needed to ensure the livelihood of contract laborers while they are waiting for jobs.

SHANGHAI RESIDENTS LEAD IN EARNING, SPENDING

OW060820 Beijing XINHUA in English 0807 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- In a recent three-city survey, the residents of Shanghai, the largest industrial city of China, lead the country in earning and spending, the "ECONOMIC DAILY" reported today.

Compared with residents of Beijing and Tianjin, each month the average Shanghai citizen spends 93.6 yuan of a 96.7 yuan (26 U.S. dollars) salary, the paper quoted an official of the State Statistic Bureau as saying.

In the first half of this year, food costs in the three cities accounted for more than 51 percent of the total cost of living, the official said.

"Although the average Shanghai dweller ingests 2,210 calories a day, the highest of the three cities, the protein intake in all three cities is still far below the international standard," he added.

Each month Shanghai residents also spend 12.5 yuan (3.4 U.S. dollars) on ready-made clothing or cloth and notions.

In all three cities, the cost of major appliances and housewares increased more rapidly than that of food.

In Beijing prices increased 50.5 percent in the first six months of this year, the official said, and for every 100 urban households in Beijing 62.6 have washing machines, 52.3 refrigerators, 42.5 colour T.V. sets, and 41 cameras.

In Shanghai, for every 100 homes each has at least 1 electric fan and 36.2 have stereo recorders.

SHANGHAI'S RUI XINGWEN APPROVES PLA JOB TRAINING

OW080527 Shanghai City Service in Mandarin 0100 GMT 7 Oct 86

[Excerpt] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Shanghai Mayor Jiang Zemin recently approved a plan by the Shanghai Garrison District to improve the civilian job skill training of servicemen. They called on the departments concerned to actively assist PLA units in making the training a success.

In recent years, Shanghai Municipality has mobilized forces from all quarters to help units under the Shanghai Garrison District in civilian job skill training for servicemen. [passge omitted]

RUI XINGWEN, JIANG ZEMIN AT SHANGHAI MEETING

OW080545 Shanghai City Service in Mandarin 0100 GMT 7 Oct 86

[Text] The Shanghai Municipal CPC Committee held a meeting of responsible cadres who are party members on the morning of 6 October. The meeting conveyed to the participants the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and made arrangements for implementing the guidelines contained in the resolution of the plenary session.

According to the meeting, the municipal party committee has begun to draft a plan for Shanghai Municipality to implement the Resolution on the Guiding Principles for Building a Socialist Spiritual Civilization. In the course of drafting the plan, opinions will be widely solicited from inside and outside the party. The draft plan will be submitted to the Second Plenary Session of the Fifth Shanghai Municipal CPC Committee, to be held in late October, for its examination and approval.

Secretary Rui Xingwen and Deputy Secretary Jiang Zemin of the municipal party committee conveyed to the meeting the guidelines contained in the speeches delivered by central leading comrades at the 6th Plenary Session of the 12th CPC Central Committee. On behalf of the municipal party committee, Deputy Secretary Yang Di reported on how to study and implement the resolution of the central plenary session.

He said: The most important current task of the party organizations in Shanghai is to organize party members, cadres, and the people to carefully study the resolution. By studying it, we should comprehensively and accurately understand its content and essence. The resolution has answered many important questions concerning the current building of spiritual civilization. The whole party should identify its thinking with the quidelines of the resolution. In the course of the study, we should enhance our unerstanding and unify our thought. In addition, we should make the study help our work. While studying the resolution, all localities and departments should, in consideration of their actual situation, formulate their own plans for implementing the resolution.

Some 350 people attended the meeting. They included members of the municipal party committee, Advisory Commission, and Planning Committee; principal leading party and administrative cadres of all departments, committees, offices, districts and counties; leading comrades of PLA units in Shanghai; and those CPC Central Committee members, alternate members, and Central Advisory Commission members residing in Shanghai.

ZHEJIANG DRAWS UP ECONOMIC, SOCIAL PROGRAM

OW051035 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 4 Oct 86

[Text] A strategic program for economic and social development in Zhejiang Province was finalized recently after 3 years' efforts. The Zhejiang provincial government has published and distributed the program across the province in a bid to solicit opinions for further revision and improvement. The program outlines the economic and social development objectives to be achieved by the end of the century, the major policies, and the overall arrangements for localities. It also sets forth the strategic objectives for modernization in the province from 1986 to 2000. The major strategic objectives are as follows:

1. To vigorously develop social productive forces and to promote coordinated economic and social development to enable economic growth and improvement of living standards in the province to outpace the national average;

2. To vigorously develop production for export, and to turn Zhejiang Province into an important base for production of export goods, as well as to build the province into a renowned scenic area and a culturally important province;

3. To lay a solid foundation for economic and social development in the 21st century.

The above objective will be accomplished in two steps. The Seventh 5-Year Plan will focus attention on laying the foundation for further economic development. The following decade will aim to achieve steady growth on the basis of the new economic structure and to secure substantial material and technical resources.

The program was drawn up by the Zhejiang Economic Research Center after substantial investigation and research. The program is a crystallization of the collective wisdom of the people of Zhejiang Province and a fresh attempt to change the government's function in the course of reform of the economic structure.

RADIO COMMENTARY VIEWS WEINBERGER'S PRC VISIT

OW080005 Taipei Domestic Service in Mandarin 2300 GMT 6 Oct 86

[Station commentary]

[Text] U.S. Secretary of Defense Weinberger began his world tour on 4 October. In Asia, he is scheduled to visit Korea, Pakistan, and the Chinese mainland. He is expected to arrive in Peiping on 7 October. At a time when there are constant changes in relations between the United States and Soviet Union in the Pacific region, Weinberger's activities will certainly attract attention.

Over the past six months, world attention has focused on Asia and the Pacific region. The U.S. attack in Libya indicates that the United States has begun to adopt a tough policy in order to cope with the changing world situation. Soviet chief Gorbachev is, no doubt, a man of flexibility. He has realized that international communism is not as influential as in the past. The United States has adopted a foreign policy backed by its actual strength. In addition, the Pacific region also plays an important role in the star wars plan. All this is harmful to communism.

The Soviet Union is not worried about the Chinese puppet regime favoring capitalism. It only fears that the Chinese people will lose their faith in the communist regime on the Chinese mainland and seek changes. Such changes can no longer be considered as mere internal contradictions. They will bring about a complete disintegration of the regime on the Chinese mainland. Therefore, over the past few years, the Soviet Union has tried a thousand and one ways to win over the Chinese Communist regime. For example, Gorbachev delivered a speech in Vladivostok, sent a high-ranking official to see Deng Xiaoping, and so on. All this is aimed at helping the Chinese Communists achieve internal stability.

Although the Chinese Communist regime understands the Soviet aim, as well as the fact that any communist regime hoping to follow the Western line will end in failure, it hopes to utilize U.S. influence in its dealings with the Soviet Union and to survive by making full use of the tensions between the United States and the Soviet Union. The Chinese Communist regime believes that the greater the tensions between the United States and the Soviet Union, the more China profits. If China sides with either the United States or the Soviet Union, it will lose the chance of gaining advantage from both sides. It definitely seeks to prevent this from happening. The Soviet Union today has tried its best to win over the Chinese Communists, while the Chinese Communists, in order to survive, do not want to offend either the United States or the Soviet Union.

Right now, the Chinese Communists are continuously taking the path of cooperating with capitalists, and the growth of the anti-communist forces on the mainland will eventually overthrow the puppet regime there. The Chinese Communists seek to make friends with the Soviet Union while at the same time they wish to maintain friendship with the United States. This indicates that they cannot affort to offend either side. If the fail to handle the situation well, they will probably lose their chance to act as opportunists. All this will in turn affect their stability in the country and their ability to control the country.

U.S. Secretary of Defense Weinberger's visit is obviously related to a report that the Chinese Communists have already agreed to allow U.S. warships to visit the mainland. It is almost certain that Weinberger's visit to the mainland will fail to yield specific results.

However, his visit will perhaps affect relations between the Republic of China and the United States and increase U.S. influence on the mainland. In this regard, we cannot but heighten our vigilance.

MARTIAL LAW, PARTY BAN 'MAY BE' LIFTED BY 1987

OW071007 Taipei CHINA POST in English 4 Oct 86 p 12

[Text] A Senior Kuomintang Official confirmed last night a UNITED DAILY NEWS report that matrial law may be replaced by a national security law and existing rules governing political organizations may be revised to legalize such bodies before the end of the year.

The official, wo hasked not to be identified, told the CHINA POST that the recommendations were completed by a KMT-appointed subcommittee some time ago.

The proposals were submitted to a 12-man KMT reform committee, headed by former President Yen Chia-kan, the official said, but the review was delayed when Yen suffered a stroke.

The recommendations were submitted to President Chiang Ching-kuo, chairman of the KMT, Thursday for approval, he said.

The proposals will then be submitted to the Central Standing Committee of the KMT, which sets party policy, to be passed as resolution.

The UNITED DAILY NEWS, one of the largest Chinese-language dailies, yesterday said a national security law is needed in place of martial law to prevent Communist infiltration and safeguard national stability.

The National Security Law will eliminate some restrictions of matrial law, it said.

Another leading Chinese-language daily, the CHINA TIMES, said martial law may even be lifted before the Year-end National Assembly and Legislative Yuan By elections.

Laws governing civic organizations and election laws may have to be revised to legalize political organizations, the UNITED DAILY said.

The KMT reform committee has been studying six socalled "sensitive issues" since march on instructions from President Chiang.

The six issues include lifting martial law, removing the party ban, allowing self-administration by local governments, rejuvenating legislative bodies through elections and improving the KMT's adminstrative efficiency.

DPP MEETS TO DISCUSS DIALOGUE WITH KMT

OW070933 Taipei CHINA POST in English 3 Oct 86 p 12

[Text] The ten organizers of the "Democratic Progress Party" held a closed-door meeting yesterday to discuss the "party rules and platform."

They were also reported to have discussed the possibility of resuming the deadlocked talks with the ruling party.

This was the first meeting of the organizers following an announcement by 135 nonpartisans here on Sept. 28 declaring the creation of the "Democratic Progress Party" (DPP).

A group of Kuomintang [KMT] legislators also held a meeting yesterday to discuss the nonpartisans' announcement to form the DPP.

The meeting was to gain legislators' opinions on the formation of the new political party and the possible resumption of talks between the KMT and the nonpartisans.

The Chinese-language INDEPENDENCE EVENING POST observed yesterday that the deadlocked talks between the ruling party and the nonpartisans seemed to have taken a new turn.

It is not unlikely that mediators can bring together the ruling party and nonpartisans to seek a fitting solution for their confrontation in the near future, the paper said.

To Renew Talks

OW070937 Taipei CHINA POST in English 4 Oct 86 p 12

[Text] The newly proclaimed nonpartisan "Democratic Progress Party" (DPP) will renew deadlocked talks with the ruling Kuomintang, but only as a political party, a DPP official said yesterday.

The move was welcomed by National Taiwan University professor Hu Fo, one of the four mediators of previous dialogues.

No date has been set, but Hu and the other mediators are reportedly working on it.

The discussions were suspended in June after two rounds because the nonpartisans charged that the jailing of several fellow nonpartisans was politically motivated.

The nonpartisans surprised the ruling party Sunday by defying a ban on formation of new political parties to announce the birth of the DPP.

Although the authorities have the power to prosecute the non-partisans for challenging the party ban, the KMT offered to resume the talks.

The nonpartisans conditionally accepted the offer after a meeting Thursday.

NEW POLITICAL PARTY TO PROTEST "ILLEGAL" PARTY

HK071416 Hong Kong AFP in English 1411 GMT 7 Oct 86

[Text] Taipei, Oct 7 (AFP) -- A group of right-wing extremists plan to form Taiwan's second illegal political party next week to [illegible] the Taipei government's leniency towards the opposition for defying a party ban.

Chung Shu-nan [name as received], publisher of a right-wing magazine, told reporters at a Taipei hotel Tuesday that he was preparing to form the China Patriotic Party (CPP) to show support for the Taipei government and the ruling Kuomintang.

Mr Chung said the party would be made up of members of the 10,000-strong Patriotic Society of All the People (PSAP), a private right-wing organization whose members include veterans, farmers, youths and reservists.

Three Kuomintang lawmakers would also join the CPP to demand a crackdown forming the Democratic Progress Party (DPP) last month, Mr Chung said.

The CPP would launch a series of patriotic activities, but would not resort to violence against the opposition, some of whose members were radicals, Mr Chung claimed.

The party wanted to prove that too many political parties would only lead to chaos and that this was not the right time and place to form new parties, Mr Chung said.

The CPP would disband only if the opposition did the same, he added.

PSAP members gathered Monday in front of the Taipei City Council, cut their fingers and wrote a petition with their own blood, calling for the arrest of opposition members, which was later submitted to the parliament.

The Kuomintang maintains that martial law, imposed in Taiwan when the Nationalist Chinese retreated to Taiwan from the mainland after losing a civil war to the Chinese Communists, is necessary to prevent communist infiltration.

Meanwhile, after months of deliberation, an ad hoc committee appointed by the Kuomintang recommended lifting martial law and retain the party ban.

The proposals are to be studied on Wednesday by the Central Standing Committee, which sets Kuomintang policy.

PREMIER YU VIEWS ESTABLISHING NEW PARTIES

OW071455 Taipei CNA in English 1441 GMT 7 Oct 86

[Text] Taipei, Oct. 7 (CNA) -- Premier Yu Kuo-hua restated Tuesday that for the cause of national survival, the people's practice of their right of assembly must be restricted during the present extraordinary situation.

The government has repeatedly upheld the implementation of this policy to protect the national interest, Yu said in response to an interpellation from Legislator Fei Hsi-ping.

He stressed that, in boosting deomcracy, the people must reach a common understanding that, under these extraordinary circumstances of the nation, the establishment of new political parties would only harm the national interest and would not serve the goal of national unity in dealing with external challenges.

The statute governing the people's organizations during the nation's extraordinary period is enforced in accordance with the Constitution, the premier noted.

The implementation of the National Mobilization Law and Martial Law have actually complemented each other and are not in contradiction, Yu said, adding, therefore, that the mobilization law need not be revised.

EXECUTIVE YUAN REITERATES COMMITMENT TO DEMOCRACY

OW070340 Taipei CNA in English 0244 GMT 7 Oct 86

[Text] Taipei, Oct. 6 (CNA) -- It has been a consistent policy of the ROC [Republic of China] Government to promote democracy and constitutional rule in this country, the Executive Yuan said Monday. Even in the face on an extraordinary situation, it declared, the government has never changed its determination to implement constitutional rule.

However, in promoting democracy, the government has to take into consideration the nation's internal and external conditions before deciding what actions it should take. Under such circumstances, it is meaningless and unnecessary to work out a timetable for the implementation of democracy, the Yuan said in a written response to an interpellation by Legislator Chiang Peng-chien.

The temporary provisions effective during the period of communist rebellion is a special law worked out by the National Assembly to cope with an emergency situation. Although the law is still effective, the people should understand that its main aim is to protect the Constitution and should not regard its implementation as a derailment of constitutional rule, the Yuan said.

It is not fair for some people here to accuse the government of trying to suspend the Constitution by imposing this special law because the government's achievements in promoting democracy in Taiwan over the past 40 years have been widely recognized by the people here, the Yuan said.

The Yuan said that the government's major concern at the present stage is how to ensure the national security and to maintain social order, and while doing whatever is necessary to improve the state of these conditions, it will not hesitate to take any action to promote democratic rule.

Over-emphasizing the progress of democracy but neglecting the nation's present conditions will only provide the Peiping regime with opportunities to infiltrate this nation and drive wedges among the people here, thus undermining the nation's foundation for the implementation of democracy, the Yuan said.

VICE PRESIDENT URGES ANTICOMMUNIST EFFORTS

OW090353 Taipei CNA in English 0255 GMT 9 Oct 86

[Text] Taipei, Oct. 8 (CNA) -- Free nations in the Asian-Pacific area must have the determination to fight communism with coordinated efforts and commit themselves to economic liberalization and internationalization, Vice President Li Teng-hui said Wednesday.

Speaking at the opening ceremony of the conference on "Asia-Pacific Strategy 2000" in Taipei, Li said that after the year 2000, the Asian-Pacific region will continue to face the threat of communist expansionism.

The communist bloc, despite its internal conflicts, has taken coordinated actions in its attempt to conquer the free world, he said, adding that "no matter whether the Soviet Union and Communist China can improve their relations, their objectives toward the free world are identical and consistent." The security of the Asian-Pacific region will have a decisive influence on world peace, Li said. Since the free nations in this region are interdependent, the communist conquest of any one of them will endanger the security and stability of the whole world, he added.

"Only by establishing closer cooperation will they be able to stop communist expansion in the region," he stressed.

Li pointed out that the Republic of China [ROC] on Taiwan has not only shared the responsibility of ensuring the safety of the sea lanes in the region but also effectively contained the Chinese communist forces from carrying out military adventures.

"Such a contribution by the ROC has provided the free nations with more room for maneuver, thus helping the security and prosperity in this part of the world."

He further pointed out that the strategic position of the ROC has become more important since U.S. withdrawal from Vietnam in 1975, because Taiwan sits right at the central point of the island chain of defense in the western Pacific.

In the coming ten or so years, free nations in the Asian-Pacific region will continue to face diffficulties arising from their rapid economic development, Li said.

To cope with these difficulties, "the free nations must develop their economic and trade relations under the principle of equality and reciprocity so that mutual trust can be fostered and benefits can be shared by all," he added. Li said the ROC has played an active role in the economic activities of the free world. "Of particular significance is the successful implementation of the three principles of the people by the ROC Government, which serves as a testimonial to the failure of communism on the Chinese mainland," he added. "It is our hope that before the arrival of the 21st century, nations in the Asian-Pacific area will all have achieved economic prosperity and be in close cooperation so that they will be able to maintain security in this area and lay a solid foundation for world peace," he said.

Cosponsored by the Society for Strategic Studies of the ROC, and the International Strategic Studies Association of the United States, the five-day conference is being attended by over 100 scholars from Asian-Pacific nations.

PARLIAMENTARY BY-ELECTIONS SLATED FOR DEC, JAN

OW021420 Taipei CHINA POST in English 28 Sep 86 p 8

[Text] By-elections for the National Assembly and Legislative Yuan will be held on Dec. 6 and those for the Control Yuan on Jan. 10, the Central Election Commission (CEC) formally announced yesterday.

Eighty-four National Assembly members, 73 Legislative Yuan members and 22 Control Yuan members will be elected, the commission said.

Members of the Control Yuan, the nation's highest watchdog body, are elected by Tiawan provincial assemblymen, Taipei and Kaohsiung City councilors.

The Taiwan Provincial Assembly will elect 12 Control Yuan members, while the Taipei and Kaohsiung City councils will elect five each, the CEC said.

Also, Overseas Chinese will elect 27 Legislative Yuan members and 10 Control Yuan members from their countries of residence, the commission said.

Election campaigns will start Nov. 20, the CEC said. Any candidate campaigning beforehand will be fined from NT$1,000 to NT$10,000, it added.

The ceiling for campaign funds was set by the commission at NT$4.7 million for National Assembly candidates, NT$5.8 million for Legislative Yuan candidates and NT$876,000 for Control Yuan candidates.

RESTRICTIONS TO BE LIFTED ON GOLD TRADING

OW030253 Taipei CNA in English 0237 GMT 3 Oct 86

[Text] Taipei, Oct. 2 (CNA) -- The Republic of China has decided to lift its gold import control and liberalize the gold trade within the nation to speed its policy of economic liberalization.

Premier Yu Kuo-hua Thursday in an Executive Yuan meeting instructed the Ministry of Finance [MOF] to immediately work with the central bank and authorities concerned to draw up suitable regulations enabling free gold imports and liberal trade in gold in the domestic market.

Aside from continuing to control the nation's gold exports to prevent the outflow of capital, the premier said, the cabinet has decided to free its gold trade and thus carry out its goal of economic liberalization to speed the economic prosperity.

MOF Administrative Vice Minister Pai Pei-ying said after Yu's instruction that his ministry will give first priority to make efforts in revising regulations to pave the way for free trade in gold.

Gold became a commodity instead of reserve of foreign exchange when the nation revised its statues for foreign exchange control in May of last year.

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XINHUA ANALYSIS ON PROSPECT FOR REYKJAVIK SUMMIT

OW091810 Beijing XINHUA in English 1754 GMT 9 Oct 86

["News Analysis: Prospects for Upcoming Soviet-U.S. Reykjavik Summit (by Shen Yiming)" -- XINHUA headline]

[Text] Moscow, October 9 (XINHUA) -- Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan in two days' time open their meeting in Reykjavik, the capital of Iceland, both sides stressing that it will be a working meeting rather than a full-fledged summit.

Strained Soviet-U.S. relations have made it almost impossible to hold the official summit that Reagan and Gorbachev agreed on for 1986 at last November's Geneva summit.

So, an interim summit has been agreed upon for October 11th and 12th. Actually, the two sides want to feel each other out on what issues are most important and what possible agreements could be forged.

Judging from the hard negotiating of both sides, the Iceland meeting's focus will be arms control and a nuclear test ban. The Soviet Union is in a better position on the test ban issue, as its unilateral moratorium on testing has been in effect now for 14 months. Gorbachev has declared that an agreement on nuclear testing with the U.S. should be a major result of this year's summit.

Another salient arms control issue is the reduction of strategic nuclear weapons and medium-range missiles. In addition, Reagan has said he will discuss Afghanistan and human rights with Gorbachev during the Iceland meeting.

In the days leading up to the meeting, both sides have assumed cautious positions. On the one hand, they regard the summit as crucially important, on the other, they cherish no illusions. As the world knows, the Soviet Union and the United States differ sharply on space arms control and how to reduce strategic arsenals, with each side unwilling to assume any position they perceive as being weak or inferior. Because of this, the possibility of an arms control breakthrough at Reykjavik is slim. However, it is possible that this summit will see certain compromises reached on some minor arms control points, because both sides, to serve their own purposes, would like to see the currently strained relations relaxed.

Recently, the Soviet Union has softened its positions on some issues. On space weapons, the Soviet Union has not insisted that the United States give up research on its Strategic Defense Initiative (SDI) program. On medium-range missiles in Europe, the Soviet Union has agreed to exclude the independent nuclear forces of France and Britain from discusssions on missile reduction. The Soviet Union has also made concessions on the scope and magnitude of reductions in strategic weapons.

Though refusing to change its positions on the issue of "star wars", the unofficial name for SDI, and on nuclear testing, the United States has expressed an interest in reaching an agreement on medium-range missiles.

As for bilateral relations, it will come as no surprise should the two sides reach new agreements on increasing exchanges in the fields of science and technology, culture and educaton in order to ease relations.

Should the Reykjavik meeting unfold as outlined here, a date for Gorbachev's official visit to the United States may be announced at the end of this summit.

RENMIN RIBAO HAILS CHINESE TEAM AT ASIAN GAMES

HK100227 Beijing RENMIN RIBAO in Chinese 6 Oct 86 p 1

[Editorial: "Salute to the Chinese Athletes"]

[Text] Glad tidings of victory have poured in from the 10th Asain Games: With concerted efforts and an indomitable spirit, China's athletes have surmounted difficulties and maintained first place in the total number of gold medals, which manifests the fine spiritual features of the sons and daughters of the Chinese nation. Comrades of the Chinese sports delegation, you have made arduous efforts. The people of the motherland salute you.

At the Asian Games, which lasted 16 days, the competition was unprecedentedly intense in many events. This shows that the level of Asia's sports have been upgraded. The teams and athletes formerly strong in certain events had to accept new challenges. A number of unknown athletes have become eminent. We congratulate the athletes of various countries and regions on their successes and commend them for their concerted efforts made to develop Asai's sports.

A sports ground is like an examination hall. The current review of the strength of China's athletes indicates that China has continued to maintain superiority in gymnastics, diving, shooting, weight lifting, rowing, women's volleyball, and other events. China has also made remarkable improvements in men's and women's basketball, men's volleyball, swimming, and other events. This precisely embodies the considerable progress China has made recently in its sports. The successes scored by China's athletes at the Asian Games have encouraged and impelled the people of the entire country, who are carrying out the building of material and spiritual civilization.

Competitiveness is an important characteristic of athletic contests. The large number of outstanding athletes and the successes achieved in China's sports circles recently are without exception the result of hard training, enterprising spirit, and keen competition. The spirit of competition is the concentrated expression of the vitality of sports. Competition requires a scientific attitude and exertion of utmost strength. The combination of scientific training methods which conform to objective laws and the style of setting strict demands on training is the key to success. It would be impossible to achieve any success by merely exerting our utmost strength; a scientific attitude is also necessary. The recent Asian Games revealed some of our weak links. China was not as competitive in certain events. Therefore, we should earnestly sum up our experience and make new breakthroughs.

As the next Asian Games will tkae place in Beijing 4 years from now, we should start to make preparations. The progress of sports cannot be separated from reform. The reform of the sports system should ensure and promote competition. The ultimate aim is to create a fine environment that is advantageous to bringing forth outstanding athletes through competition.

The people of the country have concerned themselves with and participated in the major event of developing physical culture to strengthen the people's health and inspire the national spirit.

We should learn from the athletes' spirit of making arduous efforts, forging ahead, and vying with one another in competition, rather than being concerned with the number of gold medals they have captured. While we are making efforts to revitalize China today, it is necessary to advocate the enterprising spirit and the concept of competition throughout the nation. This is indispensable for the success of reform and the four modernizations.

Our victory was hard-won. From now on, we should keep a cool head, recognize where we are lagging behind, and redouble our efforts to scale new heights. China will certainly be able to become one of the powerful sports countries in the near future.

PRC JOINS UN ATOMIC RADIATION EFFECTS COMMITTEE

OW091955 Beijjng XINHUA in English 1940 GMT 9 Oct 86

[Text] United Nations, October 9 (XINHUA) -- China was admitted today to the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) and became its 21st member.

A resolution to the effect was unanimously adopted today at a meeting of the U.N. Special Political Committee. It said the participation of China would enhance the effectiveness of the scientific committee.

As a procedure, the resolution will be submitted to the U.N. General Assembly for approval.

The Chinese Government officially applied for the UNSCEAR membership last August, which received warmly welcome from all its member states.

After the adoption of the resolution on China's membership, Chinese Ambassador to the U.N. Liang Yufan said at the meeting theat China "highly appraises" the work of the organization, which is "of tremendous value to the developed and developing countries in the cause of harnessing atomic energy for peaceful purposes."

"The Chinese Government attaches great importance to the peaceful uses of atomic energy and is deeply interested in the development of science and technology for the alleviation and elimination of the harmful efffects of atomic radiation," the Chinese ambassador said.

Therefore, China needs "very much the cooperation with UNSCEAR and other related agencies in order to benefit from the results of their scientific research," he added.

Established in 1955, the Vienna-based U.N. committee is responsible for assembling, studying and disseminating information on observed levels of ionizing radiation and radioactivity in the environment, and on the effects of such radiation upon human beings.

Prior to China's participation, the UNSCEAR was composed of Argentina, Australia, Belgium, Canada, Czechoslovakia, Egypt, France, Federal Germany, India, Indonesia, Japan, Mexico, Peru, Poland, the Sudan, Sweden, the Soviet Union, Britain and the United States.

BEIJING TO HOST MILITARY LOGISTICS EXHIBITION

OW092326 Beijing XINHUA in English 1728 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- An international military logistic equipment and technology exhibition, the first of its kind in China, will be held November next year.

The exhibition is organized by the China Council for Promotion of International Trade (CCPIT), Beijing Sub-Council, and Modern China Ltd., a subsidiary of the Hong Kong-based TA KUNG PAO, and is sponsored by the Chinese People's Liberation Army (PLA) General Logistics Department, Scientific Research Department and logistics departments of the PLA Air Force, Navy and Second Artillery.

Liu Mingpu, deputy director of the PLA General Logistics Department, said at a news conference this afternoon that China is now carrying out the policy of opeing to the outside world and invigorating the domestic economy, and the country's military logistic construction should also open up.

The Chinese Army hopes to absorb useful knowledge and experience from foreign countries so as to promote the development of its logistic modernization, he said.

He said he expected many foreign companies to participate in the exhibition and to strengthen the understanding and friendship between China and other countries through the exhibition.

Yu Xizhong, director of the CCPIT Beijing Sub-Council and Wang Lichuan, representative of general director of TA KUNG PAO and chairman of Modern China Ltd. Fei Yimin, also spoke at the conference.

Liu Lumin, deputy chief of staff of the PLA Central Logistics Department, introduced at the conference the organization and tasks of his department.

"We welcome exhibits of either advanced technology and equipment or complete sets of common level equipment," he added.

More than 200 foreign diplomats stationed in Beijing and representatives of foreign companies were present at today's conference.

Meanwhile, an international defense technology exhibition will be held in the Chinese capital in November this year.

WU XUEQIAN MEETS VISITORS FROM DENMARK, MEXICO

OW091248 Beijing XINHUA in English 1115 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) — State Councillor and Foreign Minister Wu Xueqian met here today Hans Grunnet, director general of the Danish Press and Cultural Department, and Djuka Julius, columnist of "EXCELSIOR", a Mexican newspaper.

PRC ANNOUNCES U.S. NAVAL VISIT TO QUINGDAO

OW091228 Beijing XINHUA in English 1215 GMT 9 Oct 86

[Text] Beijjng, October 9 (XINHUA) -- Three U.S. Naval vessels, led by Admiral James Lyons, commander-in-chief of the U.S. Pacific Fleet, will pay a friendly, courtesy call to Qingdao from November 5 to 11.

This was announced by a Chinese department concerned here today.

When asked whether the U.S. vessels will carry nuclear weapons, a responsible official of the department said: "China's consistent policy is not to allow foreign warships carrying nuclear weapons to make port calls to China."

U.S. SECRETARY OF DEFENSE CONTINUES VISIT

Speaks at Defense University

OW091116 Beijing XINHUA in English 1050 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- The measured growth of U.S.-China military relations is the result of a willingness of both sides to pursue policies which satisfy each country's short and long-term interest, U.S. Secretary of Defense Caspar Weinberger said here today.

During a public lecture he gave at the National Defense University of the Chinese People's Liberation Army, Weinberger said, "Foremost among these is a common concern -- that no one country dominate Asia or the world, and to maintain peace through strength, thereby creating conditions favorable to the continued rapid modernization of Asia."

He went on, "We believe a secure, modernizing and friendly China -- with an independent foreign policy and developing economic system -- is an essential part of international security."

He said China's ensuing economic growth, enrichment of the lives of the Chinese people, and China's friendship, respect and concern for it s neighbors contribute to the peace and strength of the entire region. "The key to respect in the region is economic power rather than mere military force," he said.

Noting that "we have cooperated and will continue to contribute to China's defense modernization," he quoted U.S. President Reagan as saying, "Our intention is to provide China with the capability to defend itself."

The defense secretary also answered questions raised by Chinese officers.

Chinese Minister of National Defense Zhang Aiping and U.S. Ambassador to China Winston Lord were present.

Meets Zhao Ziyang

OW091521 Beijing XINHUA in English 1457 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Chinese Premier Zhao Ziyang today met and had a friendly talk with visiting U.S. Secretary of Defense Caspar Weinberger on further development of bilateral relations.

Zhao said China sincerely hopes to see further growth of the Sino-American relations.

Zhao expressed his satisfaction with the fact that the Sino-U.S. relations have been quite stable and made some new progress.

But, he said, the Taiwan issue is still an obstacle to the development of bilateral relations. If this problem is settled great progress will be made in the Sino-American relations, he added.

Zhao said he was very pleased to note the fairly smooth development of bilateral economic relations, adding that there still exist great potentials in this field.

He urged the two sides to jointly promote bilateral economic relations and trade as well as technical transfer.

Zhao briefed Weinberger on China's economic restructuring and its policy of opening to the outside world.

Weinberger said that the U.S.-Chinese relations are improving and growing, which is beneficial to both sides.

Weinberger handed to Premier Zhao a letter from U.S. President Ronald Reagan. Zhao asked Weinberger to convey his greetings to President Reagan.

Present on the occasion were Vice-Minister of Foreign Affairs Zhu Qizhen, Deputy Chief of General Staff of the Chinese People's Liberation Army Xu Xin, Chinese Ambassador to the U.S. Han Xu, U.S. Ambassador to China Winston Lord, as well as Weinberger's assistants.

Weinberger delivered a speech at the University of National Defense here this afternoon.

This evening Weinberger gave a return banquet at the Great Wall Hotel. Chinese Minister of National Defense Zhang Aiping was among the guests.

Announces U.S. Port Call

OW091637 Beijing XINHUA in English 1623 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger officially announced that three U.S. Navy vessels will make a port call at the Chinese city of Qingdao November 5 to 11, at a press conference in Beijing this evening.

This coming visit will be the first of U.S. warships to China since 1949, Weinberger said.

He said that this important visit, beneficial to both sides, is a clear evidence of the continuing military-to-military relationship between the two countries. He appreciated the hope of Chinese Naval vessels repaying the visit of the U.S. warships in the future.

On his current visit, he said that he had very productive and interesting talks with Chinese leaders and defense officials on bilateral and regional issues as well as those of global significance.

HSIN WAN PAO ON WEINBERGER'S VISIT TO BEIJING

HK090927 Hong Kong HSIN WAN PAO in Chinese 9 Oct 86 p 7

["Evening Talk" column by Yang Zhu (5017 2612): "Weinberger in the Chinese Capital"]

[Text] Great Importance Is Attached Indeed [subhead]

Deng Xiaoping's scheduled meeting with U.S. Secretary of Defense Caspar Weinberger itself shows that Beijing indeed attaches great importance to this visit.

This has already been shown by the fact that on the afternoon of the very day of his arrival in Beijing, Yang Shangkun and Yang Dezhi immediately met him. Yang Shangkun is the permanent vice chairman of the CPC Central Military Commission and Yang Dezhi is the chief of staff, China's two highest-ranking military leaders.

"Positive Results" [subhead]

Yesterday, Chinese Minister of National Defense Zhang Aiping held formal talks with Weinberger, accompanied by the two PLA deputy chiefs of staff, the minister in charge of the Commission of Science, Technology, and Industry for National Defense, and also the PLA Navy and Air Force commanders. This group of participants in the talks showed the talks' importance.

The Commission of Science, Technology, and Industry for National Defense is in chrage of affairs related to national defense science, technology and industry, such as the development of missiles and rockets.

At the welcoming banquet that Zhang Aiping gave in Weinberger's honor after the talks, he mentioned the "exchange of military technology," and also said, "The two sides have achieved positive results in their talks today."

No Conflict [subhead]

These words have told people what they want to know: China is willing to buy what the United States wants to sell. Even if no deal has yet been made, there will not be major obstacles to it. Otherwise, what are "positive results"?

The exchange visits of Chinese and U.S. military personnel and the exchange of military technology are carried out on the basis of total equality and mutual respect for sovereignty. They are not in conflict with China's independent and peaceful foreign policies.

Friendly and Frank [subhead]

Concerning the discussions on international issues, China's official news agency XINHUA only said, "The two sides extensively exchanged views on major current international issues in a friendly and frank atmosphere," and gave no more detailed report.

Foreign news agencies reported that Weinberger informed the Chinese side of some of the things concerning the imminent U.S.-Soviet summit meeting in Iceland and talked about some of his views, including:

-- The Soviet Union lied in saying that it would withdraw six regiments from Afghanistan, and what it has done is only rotate troops.

-- The strong military forces of the Soviet Union are the greatest threat to world peace and also to the Asia and Pacific region, including China.

-- The U.S. "star wars" plan is not aimed at militarizing outer space but at safeguarding peace.

No Need for Identity of Views [subhead]

In addition, it is said that he talked about the situation on the Korean peninsula and in Central America.

A frank exchange of information and views is always useful. It does not mean that one side in the talks must agree with the other side's views on the issues.

WEN WEI PO ON WEINBERGER'S VISIT TO CHINA

HK100513 Hong Kong WEN WEI PO in Chinese 10 Oct 86 p 2

[Editorial: "Weinberger's Visit to China and Sino-U.S. Relations"]

[Text] On the eve of the U.S.-Soviet Iceland summit meeting, U.S. Secretary of Defense Weinberger visited Beijing. Weinberger assumed a new posture in his current visit, and he also brought a letter from Reagan to Deng Xiaoping. He quoted Reagan as saying, "Our intention is to provide China with the capability to defend itself."

Recent developments in U.S.-Soviet relations, Sino-Soviet relations, and Sino-U.S. relations are all noticeable. China and the Soviet Union are holding talks at the vice minister level. Apart from talking about their border issue, the two sides have also begun to touch on the three major obstacles, including the Cambodian issue. At such a delicate moment, Weinberger's visit certainly serves some special purposes.

It is certain that Sino-U.S. relations have been developing in recent years. One of the reasons for such developments is that China and the U.S. share identical or similar viewpoints on many international events. On the Afghan issue, China strongly demands that the USSR withdraw all its troops; on Sino-Soviet border issue, China hopes that while the U.S. and USSR reduce their intermediate-range missiles in central Europe, and the USSR will not move the missiles to Asia and thus endanger security in Asia; on the issue of Vietnam's aggression against Cambodia; China strongly demands that the USSR use its influence to force Vietnam to withdraw its troops from Cambodia. [paragraph continues]

All this shows that China is a major force for peace in the Asia-Pacific region. The U.S. holds similar viewpoints on these issues. Therefore, Weinberger said: "A secure, modernizing and friendly China is an essential part of international security," and "both China and the U.S. wants to preserve peace on the base of strength, and only thus can favorable conditions be created for Asia to continue to realize modernization rapidly."

Weinberger and Zhang Aiping talked for more than 3 hours. They talked about cooperation between the armies of the two countries and the exchange of military technologies. The two defense ministers agree that their talks were "fruitful." According to reports by foreign news agencies, Weinberger has promised to solve the outstanding issues concerning technology transfers and arms sales between the two countries.

Apart from military cooperation, this is alsc favorable to Sino-U.S. economic cooperation. In the past, a lot of sophisticated technologies were labelled are "being applicable in the military field." In fact, so long as the U.S. is sincere about removing the obstacles, Sino-U.S. trade is bound to expand. Weinberger said that China is respected in Asia, and "the key reason is its economic strength, not merely its military strength."

Deng Xiaoping met with Weinberger in the capacity of chairman of the Central Military Commission. He listened to Weinberger's briefing on U.S. viewpoints on the world's overall situation, the U.S.-Soviet summit meeting, and Sino-U.S. relations. They also exchanged opinions. This meeting played a positive role.

Although China and the U.S. share common viewpoints on many issues, the Taiwan issue remains a major obstacle to Sino-U.S. relations. If the United States cannot adopt a correct approach to the Taiwan issue, it is still difficult to expect any major breakthrough in Sino-U.S. relations. The Chinese people have declared that they will solve the Taiwan issue in light of the concept of "one country, two systems." Bejing has again and again expressed its hope that the two sides of the Taiwain Straits will first restore shipping, postal, and commercial relations so as to gradually remove feelings of antagonism and confrontation. All people know what kind of relationship the U.S. Government has with the Taiwan authorities, and it is certain that the Reagan administration can do something to promote the settlement of the Taiwan issue. This time, Weinberger brought a message that the U.S. is willing to further develop relations with China. We hope that after the visit, the U.S. will take more concrete action. So long as the U.S. does not interfere in China's internal affairs and abolish the Taiwan Relations Act, then the peaceful atmosphere on the Taiwan Straits will develop further.

The Asia-Pacific region is not on the brink of another major economic upsurge. If China and the U.S. strengthen their cooperation, this will certainly promote prosperity in this region. When meeting with Weinberger, Zhao Ziyang focused the talks on the Taiwan issue and emphasized that there is still a great potential to tap in Sino-U.S. economic cooperation. He also mentioned China's opening policy. If the U.S can remove the obstacle of the Taiwan issue, there will certainly be a "golden period" for Sino-U.S. trade and for economic development in Asia-Pacific region.

RENMIN RIBAO COLUMN VIEWS U.S. LIBYAN 'SCANDAL'

HK091102 Beijing RENMIN RIBAO in Chinese 8 Oct 86 p 7

["Jottings" column by Chen Feng: "More than a 'Scandal'"]

[Text] After U.S. air raids against Libya in April this year, news media in the United States kept releasing reports on an unstable domestic situation in Libya from late August to early September, saying that a coup d'etat might take place in Libya, that Colonel Al-Qadhdhafi would be overthrown, that military conflicts might break out between the United States and Libya, and so on. In the meantime, the U.S. Navy, in cooperation with Egypt, held joint military exercises off the coast of Libya, and U.S. airplanes even repeatedly flew around Libya's territorial air space. Consequently, a tense atmosphere sudenly loomed over the Mediterranean Sea.

THE WASHINGTON POST on 2 October revealed that all these "reports" were merely the product of psychological warfare against Libya waged by the United States , with rumor spreading as its major tactic. The newspaper reported that a program against Libya featuring a rumor-spreading tactic worked out by National Security Adviser Poindexter was adopted at a high level secret meeting on 14 August and submitted to the top leadership for ratification. After that, high-ranking U.S. officials began to deliberately leak so-called "confidential intelligence" to the press by various means.

THE WALL STREET JOURNAL took the lead in carrying "exclusive reports" on the Libyan situation. Then a series of articles and reports came out and other newspapers and television news services followed suit. It made a furor for a while, but in fact all the leaks were forged reports.

The exposure by THE WASHINGTON POST 2 October has placed the U.S. Government in a very awkward position. Asked about the case by reporters, the U.S. President and Secretary of State Shultz neither confirmed nor denied the report. However, Shultz remark: "Why do we not do it if we can make Col al-Qadhdhafi worried waking or sleeping?" His remarks simply imply that the United States does not rule out the possibility of applying a rumor tactic against Libya.

The U.S. press circles are very discontent with the government's deceitful practice, calling it a "scandal." From the viewpoint of international relations, the government of a country will violate the most rudimentary moral standards if it starts rumors against another sovereign state and its leaders. It is definitely more than a scandal.

AGREEMENT SIGNED FOR SINO-U.S. TEXTILE VENTURE

OW092045 Beijing XINHUA in English 1508 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- A contract was signed here today for a Sino-U.S. joint venture in woolen textiles.

Thirty percent of the 4.98 million U.S. dollar investment in the project will come from the American H.M. Transworld Textile Company Ltd. The rest will be raised by the Beijing Wool and Knitwear Corporation, the Beijing International Trust and Investment Company and a local company in the capital's suburbs. named the MTEX of Beijing Woolen Textile Co. Ltd, the enterprise will start producing cashmere, rabbit-hair and camel-hair sweaters next year.

NODONG SINMUN HAILS LI XIANNIAN'S VISIT TO DPRK

OW091314 Beijing XINHUA in English 1137 GMT 9 Oct 86

[Text] Pyongyang, October 9 (XINHUA) -- Chinese President Li Xiannian's four-day visit beginning October 3 to Korea shows a continued development in Korean-Chinese relations, said Korean chief newspaper, NODONG SINMUN, here today.

The paper said in an editorial that Li's meetings and talks with Korean President Kim Il-song have boosted the close relations between the two leaders and reaffirmed the two countries' common wish of standing together in the struggle to speed up their socialist construction and safeguard peace in Asia and the world as a whole.

The editorial quoted President Li as saying that the Korean-Chinese relations are unbreakable.

The resolution on the guiding principles for building socialist society with advanced culture and ideology adopted at the Sixth Plenary Session of the Twelfth Central Committee of the Communist Party of China in late September, the editorial said, is of great significance to China's socialist construction.

It is said that the Korean people heartily rejoice at the smooth-developing socialist construction of their Chinese brothers and the growing might of China.

The editorial said in conclusion that the Korean people will spare no efforts in enhancing the friendship between the two countries.

RENMIN RIBAO EDITORIAL ON SINO-KOREAN FRIENDSHIP

HK091010 Beijing RENMIN RIBAO in Chinese 8 Oct 86 p 1

[Editorial: "New Chapter in Sino-Korean Friendship"]

[Text] PRC President Li Xiannian has successfully concluded his official friendly visit to the DPRK and returned to Beijing. This visit has further consolidated the comradeship and militant unity between the two parties, two countries, and two peoples. The Chinese people are genuinely happy about the success of President Li Xiannian's DPRK visit.

The mutual visit and exchange of views between the leaders of the two parties and countries like calling on relatives is a fine tradition in deepening the Sino-Korean friendship which was initiated by Chairman Mao Zedong, Premier Zhou Enlai, and parties and countries have further brought forward this tradition through frequent ties and intimate talks and continuously pushed forward the great friendship between the two peoples established in long-term revolutionary struggles and socialist construction. This visit of President Li Xiannian has written a new chapter in Sino-Korean friendship.

Under the leadership of Chairman Kim Il-song and the Korean Workers Party over the past several decades, the Korean people have scored great achievements in unfolding the three great revolutions in depth by adhering to the correct stand of "taking the initiative in one's own hands politically, maintaining independence economically, and strengthening self-defense in national defense." Today, they are marching toward the 10 long-term targets of the 1980's, when they have successfully fulfilled the Second 7-Year Plan. During his current visit, President Li Xiannian saw with his own eyes the great changes brought about by the Korean socialist construction, and was even more deeply impressed than by what he saw during his two previous DPRK visits. The Chinese comrades admire the Korean people for their great achievements, and are greatly inspired.

For years, the Korean Government has made unremitting efforts to realize the peaceful unification of Korea and take the initiative in its own hands. During his visit, President Li Xiannian and Chairman Kim Il-song conducted their talks in a very cordial and friendly atmosphere. Both parties believe that relaxation of the Korean peninsula situation will not only promote Korea's peaceful unity and taking the initiative in its own hands, but has important significance for the peace and stability of the entire Asia and Pacific region. The Chinese people resolutely support all reasonable propositions of the Korean Government. We are sure that the beautiful land of Korea, which has been artificially divided, will eventually be unified.

The great Sino-Korean friendship is based on Marxism-Leninism and proletarian internationalism. To continuously consolidate and develop Sino-Korean friendship is the resolute stand of our party and country, as well as the common aspiration of the Chinese people. As president of our country, Comrade Li Xiannian received a warm welcome and very cordial treatment during this visit to the DPRK, once again demonstrating that the friendship cemented in blood between the peoples of the two countries has stood the test of time. Together with the Korean people, the Chinese people will, as always, make this friendship pass down from one generation to another.

DPRK DENIES INVOLVEMENT IN KIMPO AIRPORT BLAST

OW161156 Beijing XINHUA in English 1150 GMT 16 Sep 86

[Text] Pyongyang, September 16 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today denied any involvement in the September 14 blast at the Kimpo airport in South Korea, saying "it has nothing to do with us."

"NODONG SINMUN," DPRK's leading newspaper, said in a commentary that it is absurd indeed that the South Korean authorities linked the incident with the North side of Korea before conducting an investigation of the incident. This action, the paper said, constitutes "an intolerable challenge" to the North side, threatening to harm the international status of the DPRK.

The paper said such an incident is inevitable as South Korea is in a political crisis and social disorder.

The paper believed that the South Korean authorities may once again try to insult the North side by the same means.

On September 14, a bomb went off near the crowded arrival terminal at the Kimpo (international) Airport in Seoul, killing five people and seriously injuring 21.

SINO-JAPANESE ECONOMIC COOPERATION MEETING HELD

Rong Yiren, Nakasone Meet

OW080730 Beijing XINHUA in English 0631 GMT 8 Oct 86

[Text] Tokyo, October 7 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone said today that Japan will increase its investment in China, hoping to make investments in larger enterprises.

He made the remarks when meeting with Rong Yiren, chairman of China International Trust and Investment Corporation (CITIC), who is attending a meeting here on Sino-Japanese economic cooperation.

Nakasone said thanks to the improvement of investment environment, Japanese investment in China has been increasing in recent years.

He hoped China will further improve the environment for international investments and expressed his conviction that the two countries will boost economic cooperation on the basis of mutual benefit.

Rong said the two countries should enhance cooperation not only among small and medium-sized enterprises but also among big enterprises and in finance as well. He said that in addition of governmental cooperation, non-governmental cooperation should be encouraged.

Economic Conference Ends

OW081238 Beijing XINHUA in English 1218 GMT 8 Oct 86

[Text] Tokyo, October 8 (XINHUA) -- The first China-Japan Economic Cooperation Conference closed here today with agreements signed on 40 possible joint-venture projects.

The conference was co-sponsored by the China International Trust and Investment Corporation (CITIC) and the Japan Chamber of Commerce and Industry. Extensive discussions were held at the three-day conference on expanding cooperation between enterprises, particularly the small and medium-sized enterprises.

The two sides discussed 40 possible joint-venture projects. They signed five confirmed contracts, 11 agreements and 31 confirmation papers for further negotiations.

The two sides agreed to strengthen contacts and explore new cooperative projects in the future. Both countries decided to have regular information exchanges and hold a working session in the first half of 1987 to follow-up the work of the conference.

Both Rong Yiren, president of CITIC, and Noboru Goto, president of the Japanese Chamber, expressed satisfaction with the success of the conference in their closing speeches.

Rong noted that the conference has provided a fine opening for cooperation between the small and medium-sized enterprises of the two nations. Goto expressed the hope that the two sides will fulfill their commitments.

NOMURA SECURITIES OPENS OFFICE IN SHANGHAI

OW091444 Beijing XINHUA in English 1253 GMT 9 Oct 86

[Text] Shanghai, October 9 (XINHUA) -- Nomura Securities of Japan yesterday opened an office in Shanghai, China's biggest industrial center.

The office will help collect foreign capital for both Shanghai City and the Shanghai Economic Zone, provide industrial and financial information, and introduce China's investment conditions to Japanese firms, a local official told XINHUA today.

Nomura, with a history of more than 60 years, is engaged in bond issues and sales in and outside Japan. It has established branch companies and offices in 29 countries and regions, with a total capital of 97 billion yen.

Before the establishment of the office, Nomura and the Shanghai Trust and Investment Company jointly set up a consultancy office which provides advice on enterprise management and urban development, offers information on new technological development and introduces Japanese firms to their Chinese counterparts for economic cooperation.

In 1984, the Nomura-China Investment Company was formed, which specialises in the investment business in China. Since then, the company has introduced about 1,000 Japanese businessmen to Shanghai enterprises.

Through Nomura, the Shanghai Trust and Investment Company issued bonds worth 25 billion yen in Japan early this year.

QIAO SHI, SONG PING MEET JAPANESE BUSINESSMAN

OW081939 Beijing XINHUA in English 1832 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- Vice-Premier Qiao Shi and Song Ping, state councillor and minister in charge of the State Planning Commission, met here today with a delegation from the Mitsubishi Corporation of Japan led by its new president, Takeo Kondo.

Kondo told Qiao Shi that China is Japan's most important neighbor. He expressed the desire to make efforts for the development of trade between the two countries on the principle of mutual benefit.

Qiao Shi expressed his appreciation for the efforts made by Mitsubishi in developing Japan-China economic, trade and technological relations.

While meeting with Kondo and his party, Song Ping expressed his satisfaction with the fruitful cooperation between China and Japan in the fields of industry, agriculture, trade, science and technology.

Kondo hoped to have more discussions on the possibility of cooperation between the two countries in the fields of telecommunications, radio and air traffic control technology.

PRC UN ENVOY MEETS SITTHI, DISCUSSES SOVIET PLAN

BK071135 Bangkok Television Service in Thai 1300 GMT 6 Oct 86

[Report from station correspondent Narumon Methisuwakun in New York]

[Text] A new trend in Sino-Soviet relations may have developed, it was reported a few days ago. The Soviet Union has demonstrated a compromising attitute toward China by announcing troop withdrawals from Afghanistan and Mongolia as well as along its border with China. It is anticipated that compromise between the two countries could have an effect on the Cambodian problem, in particular the attitude of China.

The Chinese ambassador to the United Natins, on instruction from the Chinese foreign minister, met with [Thai Foreign Minister] Air Chief Marshal Sitthi Sawetsila at the UN building and told the latter that China is still waiting to see the materialization of the Soviet plan to withdraw troops from those areas. So far, the Soviet Union has not done so. Besides, the Soviet Union can send its troops back to Mongolia at any time. At present, Chinese airspace is still being violated. He stressed that other issues brought up by the Soviet Union are less significant than the settlement of the Cambodian problem. At least, the Soviet Union should not send weapons to Cambodia, and eventually the Vietnamese troops must be pulled out of Cambodia. Meanwhile, political relations between the two countries remain unchanged.

THAI PAPER INTERVIEWS GU MU ON JOINT PROJECTS

BK081359 Bangkok XING XIAN RIBAO in Chinese 1 Oct 86 pp 5, 8

[Report by Feng Bingshan, chief editor, on "major details" of talks between PRC State Councillor Gu Mu and XING XIAN RIBAO delegation led by managing Director Li Kunyang (Thai name: Ari Santiphongchai) at the Great Hall of the People in Beijing on 13 September]

[Excerpts] [Passage omitted] [Feng] Relations between Thailand and China are very good. XING XIAN RIBAO, a mouthpiece of the people, would like to know about the Thai-Chinese trade situation and the China's political and economic reform program. We will then report about it when we return.

[Gu] I will mainly talk about my country's open-door policy and the situation. Our open-door policy can also be applied to our Thai friends. We will better promote Chinese-Thai economic cooperation. If you have any questions, please raise them for discussion.

We have implemented an open-door policy for 7 years since 1979. It could be said that we have achieved remarkable success, but there are also some problems. We have been continuously summing up our experience and making improvements. We admit that we are inexperienced in economic work. We are capable of political and foreign tasks, so now we are trying to do well with our economy. [passage omitted](

[Li] Can you say how long it will take to improve the existing economic problems, and will the policies be changed?

[Gu] We have made a summary. Our policies do not change. Leading comrades of the Central Committee and the State Council realize that since opening up to the outside world is a set national policy, we have to continuously implement it. Why do outsiders always say that our policies are changeable, do not trust us and are dissatisfied with our work? This is because we closed our door for a long time, and lack experience in opening our doors. We are inexperienced in utilizing foreign investment and learning foreign management techniques. We are also overcautious and lack determination in promoting enterprise. All in all, we lack a sound administrative system. Some projects need approval from various departments. The efficiency is very low. In other countries, if investment talks are smooth, a contract can be signed within 10 to 15 days, but it takes 6 months or even a year in China. You have to ask for approval from many departments. It takes a long time. We are inexperienced. Legislation is a very difficult issue. The law cannot be changed all the times, so legislation cannot be enacted quickly. Outsiders have complaints about it. I assure you that we will announce specific measures after 3 months.

[Feng] Foreigners are afraid of that China's present economic policies will be changed. They worry about whether China will go back to the old road after Deng Xiaoping?

[Gu] The government has systematically summed up our experience. We find that the people support the present economic policies. Speaking from the point of economics, we have to emphasize once again that we must succeed with the 6,800 joint ventures involving foreign investment because they involve our national reputation and China's determination to boost its economy. Although these 6,800 projects are still far from meeting our people's needs, their life has improved. They will not allow anyone to change the present policies. As for the 6,800 contracts, although they may not be equitable because of our inexperience or the problems of foreign businessmen, we are determined to work in accordance with the contracts so long as they do not involve national sovereignty and do not contradict our foreign joint venture laws. Even if we are at a disadvantage, we will carry them out becasue reputation and honor are important. This will ensure that our foreign economic relations continue to grow. [passage omitted]

[Feng] Will you please forecast how Thai-Chinese friendship will develop?

[Gu] China and Thailand are near neighbors. Relations between our two countries are smooth. Following my recent observation trip to Yunnan, I have an idea to promote that area's relationship with Burma, Thailand and Singapore by opening Kunming as an independent aviation gateway. The Kunming-Bangkok air route now has a number of charter flights. This route has potential. You can use the geographical advantage to do business, for friendship contacts, and to develop tourism. The contacts will be more convenient if you do not have to go via Guangzhou and Shanghai.

[Li] Our friends and readers have complained about suffering losses in doing business with China because of the variable quality of Chinese products and late delivery.

[Gu] It is true. We have to improve the quality of our products, send goods on time, and solve transportation problems.

[Li] When will these things be improved?

[Gu] All of them will be improved. We will strengthen the management of our air, railway and sea transportation. However, we cannot solve all these detailed problems in a morning because it involves reform of the system.

[Li] A lot of Thai businessmen have invested in China in recent years, but now the number is falling.

[Gu] I can affirm that the investment climate will be improved next year. The measures we plan to adopt may be announced soon in the form of laws. Summing up our past experience, we find that the problems are caused by failure to catch up with detailed rules, poor understanding in implementation and insufficient supervision. Sometimes the lower level do not follow things stipulated by the government. I can promise that there will be great improvements in the next year. We will provide more preference -- you can publicize that.

[Li] There is a problem of several Thai agents importing one kind of Chinese product.

[Gu] There is such a problem. The old agent and the new ones are in competition. We have agents when the export is controlled by the central government. Now the export authority is transferred to provinces and cities, and they find new agents. So there are contradictions. There is a saying that "we do not give enough consideration to old friends."

[Li] Competition results in less profit and, therefore, more complaints. Can the reform of the system help the old and new friends?

[Gu] We cannot just have one friend. It is alright to add new friends, but they should avoid price cutting competition.

[Feng] Thai industrial and commercial circles recently set up a trade committee on promoting Thai-Chinese investment and trade. Its goal is to promote Thai-Chinese trade development. Some members have asked why Thailand has to do business with China through Hong Kong and Singapore merchants? Thai friends would like to do business directly with China even though the cost may be a little higher at first. It will be better to have direct contacts. We hope this situation can be changed.

[Gu] We hope to contact our Thai friends directly. It is not necessary to do business through Hong Kong because we do not have any problem with Thailand. We can strengthen our contacts through the Guangzhou Trade Fair.

[Feng] The problem is that we cannot buy the goods we need at the trade fair.

[Gu] There will be great changes in the next year. We still insist on the basis of equality and mutual benefit for direct contacts. I will discuss this problem with the foreign trade department. We wish to solve this problem. You do not do business, but you can convey this message to the industrial and commercial circles. They can arrange an industrial and commerical delegation for direct talks with our trade and economic departments, and trade promotion committee. The Office for Overseas Chinese Affairs will help on this issue. The problem of insufficient supply of goods is probably an old problem. [passage omitted]

THAILAND TO ISSUE INSTANT VISAS TO PRC TOURISTS

OW060758 Beijing XINHUA in English 0749 GMT 6 Oct 86

[Text] Bangkok, October 6 (XINHUA) -- Thailand's Foreign Ministry and Immigration Department have approved in principle a plan to issue instant visas at the airport for tourists from friendly countries, including China and India, reported "THE NATION" today.

An informed source told the paper that the authorities concerned will met again within the next two weeks to amend the regulation issued by the Interior Ministry last March.

The March regulation provides that tourists from 55 listed countries may stay in Thailand up to 15 days without entry visa. But several friendly Asian countries such as India, China, Pakistan, Bangladesh and Sri Lanka are not included.

According to the source, if the amended regulation becomes law, citizens from Asian countries absent from the original list will be allowed to stay in Thailand on a temporary basis from two to seven days. The temporary visa will allow a maximum stay of two weeks.

The call to amend the regulation came as a result of combined efforts from both government and private sectors to boost the tourist industry in Thailand.

PHILIPPINE OFFICIAL INTERVIEWED ON RELATIONS

OW090814 Beijing XINHUA in English 0655 GMT 9 Oct 86

[Text] Manila, October 9 (XINHUA) -- Philippine Deputy Foreign Minister Leticia Shahani said here today that the Sino-Philippine relations have been warm and friendly since the establishment of the Aquino government last February.

Mrs. Shahani made this remark in an exclusive interview with XINHUA in connection with Chinese Vice-Premier Tian Jiyun's forthcoming visit to the Philippines.

"Diplomatic, cultural, scientific, technical and economic relations are active" between the two countries, she said.

On international issues, she stated," The Philippines and China both call for the withdrawal of Soviet troops in Afghanistan and of Vietnamese troops in Kampuchea."

She said China is the first country with which the Aquino government has signed an agreement -- the 1986-1987 Executive Program of the Cultural agreement. The agreement was signed in March 1986 when a government cultural delegation from the People's Republic of China visited Manila.

The deputy foreign minister said that Vice-Premier Tian's visit would offer opportunities for an exchange of views on bilateral and regional developments. The visit expressed the support of the Chinese people for President Aquino's administration, she added.

Mrs. Shahani said, "China has shown full support for the economic recovery efforts of the Aquino administration, with the offer to renew a 20 million U.S.-dollar credit line to the Philippines, to grant an additional 20 million U.S.-dollar trade facility and restructure payment of the 11.2 million U.S.-dollar credit for rice imports, and to supply 430,000 metric tons of crude oil for 1986 valued at 25.4 million U.S. dollars on a deferred-payment basis."

She added that contracts were signed in June 1986 for China's purchase of 30,000 metric tons of fertilizer worth 5 million U.S. dollars and 10,000 metric tons of copper concentrates worth 3 million U.S. dollars.

There have already been ten exchanges of cultural visits in 1986 between the two countries, and six exchanges of visits will take place in October and November 1986, she said.

Out of 17 projects under the Seventh Protocol on Scientific and Technical Cooperation, 15 projects have already been implemented, she added.

The deputy foreign minister declared that the Philippine Government pursues the "one China" policy. "This is our official policy. We have shown goodwill and understanding towards the Chinese Government's sovereignty."

She said, "The Philippines is grateful for China's constant concerns and support to developing countries for their better terms of trade, and their safeguarding of sovereignty and independence."

She said that in the Pacific region, "China is aimed at the elimination of tensions in the region. ASEAN countries and China are working together for the withdrawal of the Vietnamese troops from Kampuchea and the Soviet troops from Afghanistan."

Mrs. Shahani is a veteran Philippine diplomat, she made her first visit to China in 1983 as an assistant secretary general of the United Nations, she visited China for the second time in June this year when she joined Vice-President Laurel's official party in a trip to Beijing.

Shahani stated that the Philippine Government pursues a foreign policy of independence. "Under the Aquino administration, the Philippines will remain committed to ASEAN, and will intensify and expand solidarity with Third World countries and the non-aligned nations," she said.

She stressed that the Philippines would strengthen relations with its diplomatic partners, and continue to develop close relations with socialist countries.

TIAN JIYUN TO VISIT PHILIPPINES 18-21 Oct

OW071149 Tokyo KYODO in English 1139 GMT 7 Oct 86

[Text] Manila, Oct. 7 KYODO -- Chinese Vice Premier Tian Jiyun will visit the Philippines October 18-21 to take up bilateral and regional issues with government officials here, the Ministry of Foreign Affairs announced Tuesday.

Tian who will make the Philipines the second stop after Malaysia of a Southest Asian tour, will lead a 14-member delegation which includes Deputy Foreign Minister Liu Shuqing. He will also visit Thailand and Singapore before returning to China.

WAR REPORTER KILLS TWO VIETNAMESE INTRUDERS

OW041918 Beijing XINHUA Domestic Service in Chinese 0711 GMT 3 Oct 86

[By reporters Zhou Guoqing and Zhang Shiying]

[Text] Yunnan Border Defense Frontline, 3 Oct (XINHUA) -- While covering battlefield news, Li Zongli, a reporter of a certain Yunnan frontier guards' units, became a combat hero himself.

On 24 September, Li Zongli came to the forward position to cover the combat zone news. That night his post was raided by a Vietnamese squad. Substituting as an on-duty fighter at his own request, Li Zongli, faced the situation fearlessly, fought back immediately and repulsed the enemy attack. After half an hour or so, the enemies returned. Li Zongli thus fought side by side with comrades-in-arms. After a 20-minute fierce fight, the enemy fled in panic, leaving a number of bodies behind. During the fight, Li Zongli killed two of the enemies. The officers and men of the front jointly asked the higher level to record his brave deeds.

Li Zongli enlisted in 1983 from Gansu's Dingxi County. As an amateur fighter correspondent, he always went to forward posts and bunkers to cover news despite the ongoing gunfire and wrote a great number of reports reflecting combat life of the frontline fighters.

HU YAOBANG MEETS AUSTRALIAN DOCTOR IN BEIJING

OW301712 Beijing XINHUA in English 1638 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Hu Yaobang, Chinese Communist Party General Secretary, met Doctor Victor P. Chang of Australia here today. A noted surgeon of heart and thoracic surgery, Dr. Chang has been active in promoting Sino-Australian friendship, particularly in academic exchanges in the medical field.

Hu praised Chang for his efforts to help China develop heart and thoracic surgery.

Chang said he was impressed with China's rapid development in this field in recent years.

The general secretary briefed his guest on China's political and economic situations.

Chang, who has visited China many times, said he was glad to see the progress of China's modernization drive. Present on the occasion was Chinese Minister of Public Health Cui Yueli.

CHEN MUHUA MEETS SINGAPORE BANK CHAIRMAN

OW271230 Beijing XINHUA in English 1159 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) -- Chen Muhua, Chinese state councillor and president of the People's Bank of China, met with Lien Ying Chow, chairman of the Overseas Union Bank of Singapore, and his wife Mrs. Lien here today. The visitors arrived here yesterday to attend celebrations of the 37th founding anniversary of the People's Republic of China.

BEIJING PREPARING FOR QUEEN ELIZABETH"S VISIT

OW091238 Beijing XINHUA in English 1150 GMT 9 Oct 86

[Excerpt] Beijing, October 9 (XINHUA) -- Preparations are now underway in the Chinese capital for the state visit of Britain's Queen Elizabeth II and her husband, Prince Philip, the Duke of Edinburgh.

The visit, scheduled for October 12-18, will be the first made by a British monarch to China.

As the Queen's motorcade passes along Changan Avenue, the city's main thoroughfare, to the Diaoyutai State Guesthouse upon their arrival, the royal couple will see that the route is bedecked with colored flags, as well as the national flags of China and Britain in Tiananmen Square, the heart of the Chinese capital.

Some 1,000 young people will give the British visitors a rousing welcome at the gate of the guesthouse with traditional Chinese dances. The royal couple will stay at the No. 18 building of the guesthouse, which has been specially built for foreign dignitaries and the queen will be the first guest.

An official ceremony, to be presided over by Chinese President Li Xiannian, will be held the following day to welcome the queen with a 21-gun salute.

During the royal couple's stay in Beijing, they will meet Chinese leaders, and visit the Palace Museum, the Temple of Heaven, the Great Wall and the Ming Tombs.

The Palace Museum, also known as the Forbidden City, was the court and residence of 24 emperors of the Ming and Qing dynasties (1368-1911).

During their visit to the former Imperial Palace, the queen and her party will have a short rest at a hall where emperors of the Qing dynasty (1644-1911) used to compose poems and watch operas. They will also be shown some rare 18-century clocks and astronomical instruments made in Britain and presented to Qing emperors.

The Temple of Heaven was the place where emperors worshipped heaven and prayed for good harvests.

The royal couple will also climb the world-famous Great Wall and visit the Ming Tombs to see excavated cultural relics. [passage omitted]

To Visit Kindergarten

OW091244 Beijing in English 1154 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- The Beijing June 1 kindergarten is counting the days until Her Majesty Queen Elizabeth II's visit, October 14.

"We are honoured to receive such distinguished guests as the queen and her party. Before, only some child-care experts from Britain, Canada, Japan and the U.S.A. have visited us," said Lin Jinghua, deputy director of the kindergarten and a graduate from a nursery normal school in the 50s.

The queen will stay here for 40 minutes before going to the Great Wall and the Ming Tombs reservoir, she told XINHUA.

Located behind the famous Summer Palace, the kindergarten originated from the second nursery school in Yanan. It was founded on June 1, 1945 with the help of Zhu De and Kang Keqing, with the aim of taking care of officers' children. It moved to Beijing after liberation, Lin noted.

Through its red door, a group of white stone statues can be clearly seen, depicting children and nurses singing and dancing. Bunches of canna and cockscomb surround it and give full play of their red and yellow colour, Lin added.

When her majesty arrives, the children will meet her at the gate and present bouquets. Then she will step into a teaching building through a tree-shadowed path, where courses on music, language and art are held. Some children will present their own paintings and clay animals to the queen, Lin said.

The queen will also watch an outdoor song and dance performance. One of the items, Lin added, is a traditional British nursery rhyme "The Children of a Far Distant Land."

The kindergarten is one of the many child-care centers in China. Of the 3,000 kindergartens in Beijing, it is the largest, having 8,000-plus square kilometres. Most of the 108 nurses here have received standard child-care training, Lin said.

Mary Taylor, educational consultant for the United Nations Children's Fund in China, told XINHUA, "It is the best among the 200-plus kindergartens I have visited in China."

It is now open to the whole society and enrolls 3.5-5.5 year old children, totaling 450. In the morning, they take courses in language, common knowledge, arithmetic, music and art, and later in the day, have out-door physical training after a nap. The nurses, Lin said, usually have a walk with the children and help them with lessons after supper.

FIRST PRC ARMY BOOK EXHIBITION IN FRANKFURT

OW041653 Beijing XINHUA in English 1653 GMT 4 Oct 86

[Text] Beijing, October 4 (XINHUA) -- More than 50 types of Chinese military books on show at an international book fair in Frankfurt, Federal Germany, are proving "hot items of interest", XINHUA was told today.

This is the first time that a Chinese Army publishing house is displaying publications abroad.

One attraction is a picture album depiciting the Long March, a strategic movement in the 30s of the Chinese worker and peasant Red Army, which reached the revolutionary base in northern Shaanxi after traversing eleven provinces and 12,500 kilometers.

Published by the publishing house of the Chinese People's Liberation Army (P.L.A.), the album has been ordered by "many" publishers, according to a spokesman for the publishing house.

Other books include "China's Military History," "Marshals and Generals of the Chinese People's Liberation Army" and "China's Ancient Military Strategy and Tactics."

Publishers from Britain, Hong Kong, Japan and the United States are negotiating with the P.L.A. publishing house, which has published books and periodicals of 14,000 titles since its founding in 1948.

EC IMPOSES TARIFFS ON PRC WATCHES ABOVE QUOTA

OW070752 Beijing XINHUA in English 0749 GMT 7 Oct 86

[Text] Brussels, October 6 (XINHUA) -- The European Commission has decided to reimpose the EEC's common customs tariff on China's quartz watches, as China has exceeded its duty-free ceiling of 8,213,000 European currency unit (ECU) under the 1986 generalised system of preference (GSP).

China's clocks will also be subject to the same treatment between now and the end of the year, as the 2,628,000 ECU ceiling for these products has also been breached. ECU is the same as U.S. dollar in rate.

Meanwhile, Hong Kong has exceeded its duty-free limit for watch movements, with the result that the full community tariff became applicable from September 30.

PRC, FRG COOPERATE IN RENEWABLE ENERGY VILLAGE

OW081812 Beijing XINHUA in English 1640 GMT 8 Oct 86

[Text] Beijing, October 8 (XINHUA) -- A village has been built to use alternative forms of energy for cooking, heating and electricity generation on the outskirts of Beijing.

As a cooperative project between China and the Federal Republic of Germany, the 650-resident village of Yihezhuang was named "Xinnengyuan" (renewable energy) village at a ceremony today.

Through five years' construction, most of the households have now used solar energy to heat water for bathing duirng the summer months. And half of them maintain an average temperature of 12 degrees centigrade in winter through the use of solar power.

Photo-electric devices power the village's broadcasting, telephone and radio communications equipment and running water, fish pond and irrigation pumps. For cooking, local residents can use methane or biogas derived from 114 small solid waste pits. Methane from a bigger pit with a volume of 30 cubic meters is used to drive a 12-kw power generator.

At the ceremony, Zhu Lilan, Chinese vice-minister of the State Science and Technology Commission, said the village is evidence that renewable energy can satisfy the needs of the rural areas.

The United Nations University plans to build the village into a center to train middle-ranking technicians from Third World countries, according to an official at the Beijing Science and Technology Commission. He revealed that China and Federal Germany are also cooperating in erecting two solar TV towers in Pinggu County on the outskirts of Beijing and installing two wind-power generators in Changping.

SENIOR BULGARIAN OFFICIAL TO VISIT CHINA

HK081102 Hong Kong AFP in English 1053 GMT 8 Oct 86

[Text] Beijing, Oct 8 (AFP) -- Bulgarian First Deputy Premier Andrey Lukanov will pay an official visit to China later this month, a Chinese Foreign Ministry spokesman announced Wednesday.

Mr Lukanov will be the highest-ranking Bulgarian official to visit China in 25 years.

Foreign Ministry Spokesman Ma Yuzhen said Mr Lukanov would be the guest of Vice Premier Li Peng, who visited Bulgaria in December. An informed Bulgarian source here said Mr Lukanov would stay in China for a week.

Mr Lukanov's visit will follow last week's trip by Polish leader General Wojciech Jaruzelski. China and Poland restored party-to-party ties during the Polish leader's visit.

Fang Guoying, responsible for Chinese Communist Party relations with Eastern Bloc countries, told foreign reporters last week that the Chinese and Bulgarian Communist Parties both wanted to step up contacts and develop their relations.

Bulgaria and other Eastern Bloc nations signed long-term trade agreements with China last year.

CPC ON PARTY RELATIONS WITH USSR, E. EUROPE

HK040758 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1716 GMT 3 Oct 86

[Report: "CPC International Liaison Department Officials on CPC Relations With CPSU and East European Communist Parties"]

[Text] Beijing, 3 Oct (ZHONGGUO XINWEN SHE) -- If the three major obstacles between China and the Soviet Union are not removed, it is impractical to discuss the resumption of relations between the two parties.

Officials of the International Liaison Department of the CPC Central Committee, which is responsible for the party's foreign relations, made this remark in reply to a reporter's question at noon today.

Wu Xingtang, a press spokesman for the International Liaison Department of the CPC Central Committee, and Huan Guoying, who is in charge of Soviet and European affairs, answered in detail the reporters' questions on relations between the CPC and the CPSU, as well as the Communist Parties of the East European countries.

A reporter asked: Since China can resume party relations with the East European countries which support Soviet viewpoints, why cannot it resume party relations with the Soviet Union?

Huan Guoying answered: In our view, the existence of differing views on some issues should not affect the development of our relations with other parties. On the question of Vietnamese invasion of Cambodia, the difference between us and the Soviet Union is not a matter of differing views.

By supporting Vietnam in invading Cambodia the Soviet Union has posed a threat to China's security. In our view, Poland's support for the Soviet act is a matter of viewpoint.

A reporter asked: At what stage is the current relations between the CPC and the Communist Parties of Hungary, Czechoslovakia, and Bulgaria?

Wu Xingtang said: Istvan Oszi, deputy director of the International Relations Department of the Hungarian Socialist Workers Party, visited China in the last 10 days of September. Both sides held that there is a basis for developing the relations between the two parties to a higher stage. Michal Stefanak, director of the International Affairs Department of the Communist Party of Czechoslovakia, recently, bulgarian Communist Party leader Todor Zhivknov met with Jiangsu provincial Governor GU Xiulian, textile industry Minister Wu Wenying, and NPC Standing committee Vice Chairman Liao Hansheng.

Wu Xintang stressed: There is not a fundmental conflict of interests between China and Eastern Europe. China is ready to develop party relations with them on the basis of safeguarding world peace and developing economic cooperation. In developing and resuming party relations with other countries. China abides by the principle of independence, complete equality, mutual respect, and noninterference in each other's internal affairs, and respects their domestic and foreign policies and their appraoch and moves to develop relations with China.

In reply to a question "Whether in the future Chinese leaders will first visit Eastern Europe and not East European leaders visiting China first," Huan Guoying said: It was the Communist Parties of Poland and Democratic Germany that were the first to suggest their leaders' visit to China and we agreed. It should be explained that in such contacts, the question of which party leader goes to which country first is not a major one.

The two officials indicates that in resuming relations with the East European Communist Parties, we have so far adopted the forms of either issuing or not issuing a communique. Our specific contacts include exchanges of high-level delegations, inspection teams, newscasters [bao gao yuan 1032 0707 0765], and vacation groups.

COMMENTARY VIEWS CPC TIES WITH E. EUROPE PARTIES

OW081002 Beijing in English to North America 0000 GMT 8 Oct 86

[(Qin Yan) commentary]

[Text] Relations between the Chinese Communist Party and those in Poland, Deomcratic Germany, Hungary, Bulgaria, and Czechoslovakia seem to be warming for the first time in years. China has already cooperated with these countries in science, technology, culture, education, and exhanges of personnel. No fundamental conflicts of interests exist between these five countries and China.

Chinese Communists began restoring relations with parties in other countries in 1977 and are continuing this process with flexibility and in diversified forms. General Jaruzelski's visit to China was the first by a top Polish leader in more than 20 years, and it achieved satisfactory results. Both sides have expressed the hope that cooperation will develop in the future. The deputy director of Hungary's International Relations Bureau also recently visited China, and the two sides agreed the time is right for a higher level of contact.

Exchanges of visits with Bulgaria and Czechoslovakia likewise have helped promote China's relations with their Communist Parties.

One senior Chinese official explained that the renewal of relations with some East European parties may be accompanied by joint public statements. Relations with others may be allowed to take their natural course as they recover from years of suspension. This long period of limbo makes it natural that some parties may want to wait for a while until they have gained a better understanding of China. The Chinese Party respects their opinion and there is no hurry.

An important point is that while the five Eastern European countries take the same stand on the Kampuchean issue as the Soviet Union, they are not supplying the Vietnamese occupation forces with vast amounts of military aid. This makes China's difference with them on this issue one of viewpoints as opposed to a matter of national and regional security.

POLISH COMMUNIQUE STRESSES RELATIONS WITH ASIA

OW090848 Beijing XINHUA in English 0848 GMT 9 Oct 86

[Text] Warsaw, October 8 (XINHUA) — The Polish ruling party today spoke highly of Polish leader Wojciech Jaruzelski's recent visits to Mongolia, Democratic People's Republic of Korea and China.

The Politburo of the Polish United Workers' Party said in the communique that Jaruzelski's visit last month greatly promoted Poland's cooperations with socialist countries in Asia.

The communique pointed out in particular that Jaruzelski's visit to China, the first Polish leader to visit the country in 27 years, indicates a smooth bilateral relations in recent years. [as received]

TIAN JIYUN MEETS DELEGATION FROM HUNGARY

OW071224 Beijing XINHUA in English 1218 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Vice-Premier Tian Jiyun met here today a delegation from Budapest, Hungary, led by Mayor Zoltan Szepvolgyi.

The vice-premier told his guests, "We would very much like to share experience in urban construction and management with you."

Szepvolgyi expressed the hope for experience exchange in terms of urban communications, housing, and enviromental protection.

Present was Chen Xitong, mayor of Beijing.

The visitors arrived last Tuesday at the invitation of the Beijing municipal government.

CHENG MING ON QIAO SHI AS POSSIBLE CPC SECRETARY

HK081246 Hong Kong CHENG MING in Chinese No 108, 1 Oct 86 pp 6-8

["Notes on the Northern Journey (1)" by Lo Ping (5012 0393): "Sudden Rise of Calls for Qiao Shi To Become General Secretary"]

[Text] Last July and August, newspapers in Beijing and Shanghai one after another published articles to criticize the concept and practice concerning the third echelon. XINXI RIBAO [INFORMATION DAILY] listed eight points wrong in the practice of "inside deciding on the echelon by the higher level." SHIJIE JINGJI DAOBAO also published an article pointing out that in its nature this practice runs counter to democracy. At that time, some people in Beijing thought that these articles were indeed quite bold. Last summer, Yu Haocheng gave a speech in which he raised doubt about the practice related to the "third echelon" and was therefore punished and dismissed from his post as director and Chief Editor of the Mass Publishing House. The articles that oppose the practice of "inside deciding on the echelon by the higher level" have gone deeper than Yu Haocheng's criticism. Are those who wrote the articles too bold?

Those who are insiders do not think so. For they know that one month ago, the Standing Committee of the Political Bureau of the CPC Central Committee decided that there had to be no more practice of forming and choosing members of the third echelon.

This means that the free airing of views on the issue of the third echelon by our theoretical circles was merely to provide an explanation on the views of the top-level officials in the CPC. Those who surpassed Yu Haocheng in doing so first were not theorists but those in the Political Bureau.

Reasons for Finishing Games Related to the Third Echelon [subhead]

There are several reasons why the CPC top level officials decided to give up the practice of "inside deciding on the echelon."

First, this method of choosing cadres lowers the quality of cadre ranks. On the one hand, as those who choose the cadres may not fully know information related to the candidates they choose, some people who do not have real talent and competence and lack sufficient work experience, have been rashly chosen into the third echelon. On the other hand, this provides a loophole to be exploited by those who currently favor with the powerful and are good at securing their personal gains. As a result, quite a few of our cadres have risen quickly as Wang Hongwen, Zhang Tiesheng, and Sun Yuguo did and this has yielded some evil consequences in the leading groups at various levels and in various units and departments.

Second, it is a feudal patriarchal practice that helps veteran cadres who will soon retire, who have power and who are selfish, to make preparations for the political careers of their children. Therefore, there are often strange practices of cadres promoting each other's children by several grades at once, a practice particularly in vogue among the troops. This practice entirely runs against the surge of the sense of democracy in the community in the past few years; therefore, it has aggravated the tension in the relations between the party and masses and between officials and people.

Third, this practice has also caused the CPC's work style to continue to deteriorate, made it impossible to improve administrative efficiency, aggravated the overstaffing in official organs (the number of official cadres in the country has risen to 25 million) and constituted a major obstacle to the economic reform.

Fourth, through the practice of "inside deciding on the echelon," the reform and conservative factions have respectively assigned those they trust to important posts and thus expanded the force of their own factions. They should have finished doing so by now. If they continue to do so now, they would both suffer. This is particularly true for the conservative faction. For at present the reform faction, in particular, the CYL section (those of the faction who were formerly CYL cadres), has grown to an enormous size and controls many important political posts. If the practice of forming echelons were to continue there would be an increasingly unfavorable imbalance of strength for the conservative faction. That is why the conservative faction is by no means willing to maintain the practice of "inside deciding on the echelon" unchanged.

Some people thought that Deng Xiaoping and Hu Yaobang invented the measure to promote cadres by forming echelons, but insiders know that the conservative faction headed by Chen Yun also vigorously proposed and supported this measure. Last September, Chen Yun gave a speech at the National Conference of Party Delegates, stressing, "Maintaining an echelon structure of our cadre ranks can ensure that there are always successors to carry on our party's cause. We have scored achievements in doing that and in the future we should continue to do so." However, after less than a year, he changed his former view and switched to opposing this practice. In the meeting of the Standing Committee of the CPC Central Committee Political Bureau he was also for the abolition of the echelon structure.

A Provincial Committee Secretary Who Risks his Career for a Gold Watch [subhead]

There has been a recent incident which proves that the method of selecting and promoting cadres as Bo Le did in selecting horses, is a foolish method.

Recently, Huang Huang, secretary of the Anhui Provincial CPC Committee, has been dismissed and examined for taking a bribe of a gold watch. Before the Cultural Revolution, this Huang Huang was merely a section chief in government office. Why was he promoted, to quickly, immediately to the post of the secretary of the Anhui Provincial Committee and admitted into the CPC Central Committee last year? It turned out that at the time when the candidate for the head of the leading group of the Anhui Provincial Committee was being chosen, people differed in their opinion and would not give way. At that time, Hu Yaobang said, "There is a man from Anhui here." "Here" meant the Central Party School in Beijing. At that time, Huang Huang was receiving training there. Sources said that merely because of these words of Hu's (other sources said that Hu Yaobang even mentioned Huang Huang's name) a cadre like Huang Huang who had neither seniority nor competence rose quickly to high position. When Huang Huang gave a speech on the reform achievements in Anhui Province at a provincial meeting, he elaborated on how many Japanese cars the province had imported. This showed what competence he had. This guy told his chief secretary to do something illegal in the economic sphere for a Hong Kong businessman merely for a gold watch. It showed that the practice of "inside deciding on the echelon" in the manner in which "Bo Le chose horses," is very apt to allow people of poor virtue and competence to get leading posts at various levels.

The Standing Committee of the Political Bureau of the CPC Central Committee Once More Examined and Discussed the Candidate To Succeed the General Secretary [subhead]

After the top level officials in the CPC decided to abolish the practice of inside decision on the members of echelons, at the session at Beidaihe, major issues concerning personnel affairs now and in the future were discussed.

We have reported on the problem related to finding Premier Zhao Ziyang's successor and said that had not yet been decided. For it is not easy to find the right candidate. Therefore, there is fairly great possibility that Zhao will work for another term of office.

Recently, from the top level has come fairly surprising news that the Standing Committee of the Political Bureau has also discussed once more the issue related to a candidate to succeed General Secretary Hu Yaobang.

It has long been decided that Hu Qili, a member of the Political Bureau and the Secretariat, is to succeed to Hu Yaobang. In the Secretariat headed by Hu Yaobang, Hu Gili ranks second only to Hu Yaobang and is permanent secretary. Therefore, it has already been decided that Hu Qili is to succeed Hu Yaobang. Now the issue about the successor to the post of the general secretary is being raised again. It is said that some people hold that Hu Qili does not have adequate work experience for the job and it seems too hasty to have Hu Qili succeed Hu Yaobang next year at the 13th CPC National Congress. This has caused the Standing Committee of the Political Bureau to discuss the issue again.

Hu Qili -- A Person Who Has Roused Quite a Lot of Controversy [subhead]

Hu Qili is a very controversial person. He gives people a direct impression of openness. People still remember that at the Congress of the Writers' Association at the end of the last year, he announced the granting to writers of "freedom of literature creation." Last April, he time and again emphasized the "necessity to have a relaxed and harmonized atmosphere." Hu Qili was also one of those who supported Wang Meng, a person whom people in literature and art circles in Beijing thought to be the right candidate, behind the scenes and urged him to take up the post of Minister of Culture. It is also he who supported Liu Zaifu so that Liu Zaifu adhered to his views in the "Liu Zaifu Incident" and safeguarded his views. It was Hu Qili who encouraged Liu Xinwu and made him willing to take up the post of deputy chief editor of RENMIN WENXUE (PEOPLE'S LITERATURE) in spite of it being a difficult job. What was more significant was that when Liu Xinwu was interviewed by a Hong Kong journal, he upheld the stand of humanism and spoke boldly on some sensitive issues. After Liu Xinwu returned to Beijing, Hu Qili publicly said to Liu Xinwu at a get-together that he had read what Liu said on Liu's attitude in an interview with a Hong Kong journal and he agreed with his views. At that time, Hu Qili's words to some extent "surprised everyone present." At the coming symposium on the division of periods would be put forth. According to the previous methods of division, the period from the Opium War to the May 4 Movement was modern, that from the May 4 Movement to 1949 was contemporary, and that from 1949 to now is the current period. This is not decided by the law that governs literature itself, but by the changes in political situation. Hu Qili also agrees with these academic views. From the above facts, it seems to us that Hu Qili is a vanguard of the reform faction and has given a fairly good image.

Deng Liqun's Intention To Utilize Hu Qili of "Their Side" [subhead]

What kind of person Hu Qili really is will become clear after some observation. Of course, we hope that Hu Qili is a real member of the open faction and a vanguard of the open faction. If he has not eliminated his "leftism," he had better make up his mind to break with it as if it was opium.

Among people close to Deng Liqun, the following "secret" words of his are "well-known" to them: "Now we should utilize those who are organizationally on their side, but who hold the same views as us." By "on their side," he meant the cadres who were formerly members of the CYL Central Committee (the so-called "CYL faction"). A person who was once close to Deng Liqun thinks that Deng Liqun and Hu Qiaomu once wanted Hu Qili of "their side" to work for the conservatives (it is not necessary for Hu Qili to join them organizationally nor to have special friendship with them), but it seems they have not attained that aim. That is why there was suggestion in the meeting of the Standing Committee of the Political Bureau on discussing a candidate for future general secretary once more.

Qiao Shi -- A Man Who Has More Experience in Party Work Than Hu Qili [subhead]

Reliable internal sources say that among the top-level officials in the CPC, some people have put forth the view that Qiao Shi is more suitable than Hu Qili to succeed Hu Yaobang.

Qiao Shi is a man trusted by Deng and Hu, who not only hold great hopes for him but also assigned him to important posts --

In 1981, Qiao Shi was Director of the International Liaison Department of the CPC Central Committee and in 1983, he was director of its General Office.

Before the National Conference of Party Delegates in September last year, Qiao Shi was an alternate member of the Secretariat and the Director of the Organization Department of the CPC Central Committee. Through the conference, Qiao Shi was promoted and has become a member of the Political bureau (the post of the director of the Organization Department was handed over to Wei Jianxing, who was formerly a deputy director) and the Secretariat of the CPC Central Committee.

The CPC Central Committee has also set up a half-public commission on political science and law, which holds a higher position than other departments. Qiao Shi is the secretary of this important public security, procuratorial, and legal organ.

In order to restrict Chen Yun's Central Commission for Discipline Inspection, Deng and Hu have set up the Leading Group for Party rectification in the organs of the CPC Central Committee, of which Qiao Shi is the head.

Through the Fourth Session of the Sixth NPC, Qiao Shi has been appointed a vice premier of the State Council. This was because some people held that it was inappropriate for Vice Premiers Tian Jiyun and Li Peng to succeed Zhao Ziyang so quickly; therefore, Qiao Shi is being trained as a candidate to take the post of premier (this has not been decided on by the meeting of the Standing Committee of the Political Bureau, but it is possible for Qiao Shi to give up his governmental post and focus on the party job).

Have the Conservatives Any New Intention? [subhead]

Ever since 1941, Qiao Shi has been doing party work and the scope of his work has covered international, organizational, political, legal and united front affairs. In terms of the extensive nature of his work experience, Hu Qili is no rival to him. Qiao Shi is 5 years older than Hu Qili, being 62 years old this year, but this is no problem.

A friend who has some contacts with Qiao Shi told me that Qiao was shrewd and deep and serious in speech and manner, and seems to be somewhat slick and sly. I believe that he will be more sedate in doing the work than Hu Yaobang.

So far, the Standing Committee of the Political Bureau has only a "first draft" about a series of major personnel issues to be resolved at the 13th CPC National Congress next year and has made no definite decision on them. However, sources have most recently said that Qiao Shi's name has already been included in the list of candidates for the post of general secretary together with Hu Qili and that one of them is to be selected as general secretary. However, at the top level in the Standing Committee of the Political Bureau of the CPC Central Committee, the call for Qiao Shi to become General Secretary is rising day by day. At least he is not less likely than Hu Qili to take the post.

Do the conservatives have some illusion about Qiao Shi and regard him as "one on their side" that they can utilize?

LIAOWANG PROMOTES AN OPEN CULTURAL APPROACH

HK090737 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 6 Oct 86 p 12

[Article by Yan Jiaqi (0917 1367 0366): "To Develop, China Must Adopt an Overall Approach of Cultural Opening Up")

[Text] A nation is like a person, who has his views regarding other countries and people as well as his own country and himself. The "concept of the self" is precisely the view concerning oneself. In China's traditional culture, China looked upon itself as the center of the world, and the state in the central position. We would say that this concept has been shaken since the 1840 Opium War, but, in fact, it has not disappeared. Things are different in the West. Ancient Greece consisted of many city-states, and every city-state regarded itself as an ordinary member of the international society. This ancient Greek concept of international relations had a profound influence in Europe and even the entire Western world. The Opium War brought about changes in China's concept of the self: It acknowledged that it was not the center of the world, and that Western science and technology was more advanced; thus it began to pursue the Westernization movement, and the import of advanced foreign technologies. However, traditional Chinese culture did its utmost to resist the spread of foreign culture. The slogan "base onself on Chinese learning, make foreign culture serve China" was a basic one to resist alien culture under the condition of acknowledging China's backwardness in culture. Although China no longer considered itself the center of the world, it insisted that China was the center of world culture, with the exception of science and technology, and that Chinese culture was superior to Western culture. When Marxism began to spread in China in the 20th century, it gradually assumed Chinese characteristics. Prior to, and in the course of the Great Cultural Revolution, the so-called refutation of modern revisionism was inseparable from China's traditional concept that it was the center of the world. Take, for instance, the refusal to acknowledge that China was an ordinary member of the world, and the belief that China had the moste revolutionary ideas in the world. [paragraph continues]

We can say that the change in China's concept of itself has undergone three phases: in the first phase, China regarded itself as the center of the world, the relationship between China and other countries was one of inequality, and it was not an ordinary member of international society. After the Opium War, this concept was shaken, but China continued to insist on its being the center of world culture, and the basic idea was "base oneself on Chinese learning, and make foreign culture serve China." Since the founding of the PRC, China has actually continued to insist on its being the center of world ideology, and proposed such slogans as "Chinese theory is the pinnacle of Marxism," and "China's ideology is the one for world revolution." At present, we still see this slogan: "Safeguard the purity of Marxism," which is in reality a reflection of the foregoing slogans. At present, China is facing a very important turning point. I believe that to develop, China must adopt an overall approach of cultural opening up.

Marxism did not originate in China, but was introduced to China from foreign countries. It assumed Chinese characteristics only after following a tortuous path. Since the introduction of Marxism to China, it has gained an irrefutable role in guiding the Chinese revolution, and the successes of the Chinese revolution were accomplished under the guidance of Marxism. With the dominance of Marxism in China, China's traditional culture has stubbornly penetrated Marxism. For example, in an oversimplified way, such very important ideas in China's feudal culture as sizing up the situation of the masses, listening to the voice of the people, being pleased to accept criticism and good at employing cadres have been looked upon as Marxist democracy; such ideology of small-scale peasant economy as egalitarianism has been regarded as Marxist equality; and all such illegal feudal concepts and methods as going in for political campaigns and attacking and persecuting people have been regarded as "all-round dictatorship over bourgeoisie." Therefore, the Marxism we refer to today has a lot of things which have nothing in common with the scientific spirit of Marxism. Science has this basic characteristic -- when a theory fails to explain new problems merging in the realities of life, science will always revise the theory. However, our Marxism of life, science will always revise the theory. However, our Marxism has become a particular closed ideological system. During the "Cultural Revolution," the erroneous theory of Mao Zedong on "continuous revolution" was regarded as Marxism. Therefore, I believe, if we say the slogan "base oneself on Chinese learning, make foreign culture serve China" is a theory for resisting foreign culture in modern history of China, then we can say the theory that Chinese ideology is the summit of Marxism, developed in the course of the "Cultural Revolution," was a theory for resisting alien culture prior to, and in the course of, the "Cultural Revolution. Today, [illegible] new form is adopted: Under the slogan of "safeguarding the purity of Marxism," some people defend all kinds of Chinese feudal culture as Marxism, while rejecting all excellent cultural products of mankind as non-Marxist. We can say, "safeguarding the purity of Marxism" is just another version of "base oneself on Chinese learning, make foreign learning serve China" in contemporary China.

Marxism is a branch of science. As it is a branch of science, certainly it cannot be inclusive of all sciences. Many ideas in mathematics, chemistry, physics, politics, economics, and sociology in the world are scientific, and component parts of the spiritual civilization of mankind. It is not scientific to say that with the exception of Marxism, all those ideas have no value, and do not belong to science; and that all we have to do is copy Marxist works. The idea of expecting human beings to create a branch of science which is omnipotent in solving all the problems in the world is itself nonscientific.

In the course of opening up in an all-round way, we should acknowledge that Marxism is the science guiding our socialist modernization and reform today; however, there are other theories, doctrines, and ideas of other branches of science. All scientific theories, doctrines, and ideas are needed in our modernization. [paragraph continues]

An overall approach of cultural opening up means breaking through those boundaries stipulated by the slogans of "base oneself on Chinese learning, make foreign learning serve China," and "safeguarding the purity of Marxism," and importing, digesting, and absorbing the excellent cultural results of all mankind, including the theories, ideas, and doctrines of all natural sciences and social sciences.

The active results brought about by all-round cultural opening up will be the promotion of the economic and political structural reforms. Today, China is carrying out political structural reform; this means abandoning the political theory of feudalism in our political and cultural concepts. Aristotle said we should not expect too much of human nature; therefore, rules and regulations are needed to restrict people. Deng Xiaoping said: "Sound rules and regulations will prevent bad people's arbitrary actions; while unsound rules and regulations will prevent good people from doing good things fully, and they will even become negative." This concept of Deng Xiaoping's is actually a basic change in China's traditional politics and culture. The political structural reform means digesting and absorbing the things of the world that are useful to us. Throught the efforts of a few years, a decade and more, or even several decades, will reform the overcentralized political structure in a planned way and step by step under the leadership of the CPC.

When in the year 2000, we look back at the discussion centered around cultural opening up in the 1980's, we will certainly see that without an overall cultural opening up, the success of China's political and economic structural reform is out of the question, and neither will China's socialist modernization be possible.

RENMIN RIBAO SUPPORTS FINANCE INSPECTION

HK090915 Beijing RENMIN RIBAO in Chinese 6 Oct 86 p 1

[Commentator's Article: "General Inspection Must Be Carried Out Persistently"]

[Text] The 1986 general inspection on taxation, financial affairs, and prices will soon take place throughout the country. This is a major measure to help strengthen financial discipline and the legal system. Unifying people's ideology and improving their understanding is the key to making a success of this general inspection. In particular, it is necessary to provide a correct answer to the assessment of the general inspection last year.

Some comrades are of the opinion that last year's inspection was so excessively strict that it bound enterprises hand and foot and impacted on their further invigoration. Others say that a general inspection affects work and production in basic-level units, as these units have too much to attend to. What is the real situation? Facts have proved that great achievements were scored in the general inspection last year. 1) Tax evasion and other cases of violating law and discipline were uncovered, and a considerable amount of state revenues which had been illegally seized by some enterprises were recovered, thereby producing a positive impact on balancing last year's revenues and promoting economic reform. 2) Unhealthy practices in the economic field were initially straigthened out and a number of economic criminal cases were handled, thus improving enterprises' financial system. 3) A large number of cadres and the masses received profound education in observing law, carrying out policies, and taking the overall situation into account. These achievements, obvious to all, should be fully confirmed. Of course, there were also shortcomings in the general inspection last year, which were characterized mainly by the tendency to be excessively strict or lenient. For example, some localities, ignoring the relevent policies and regulations, collected the money which should not have been collected; problems which should have been examined were not examined; and revenues which should have been handed over to the state were not.

All these should be put right. We should be able to differentiate between the major and minor aspects of a problem and should not mistake the part for the whole. We should be good at summing up our experiences, at adding to our achievements, and at overcoming our bad points. In this way, we will do a better job in the general inspection this year.

Unhealthy practices and violations of law and discipline in the economic field cannot be solved in one or two inspection campaigns. As new and old systems are in a state of flux and the legal system has yet to be established and perfected, some enterprises and units have disregarded state law and regulation and deliverately infringed on the interests of the state and the people. If this is not promptly corrected, it will continue to harm economic reform and the four modernizations drive. Therefore, as required by the development of the situation, it is necessary to make a general inspection of taxation, financial affairs, and prices. General inspections will be replaced by regular supervision and examination when the legal system has been established and perfected, people have a strong sense of discipline and can take the overall situation into account, and serious cases of violating law and discipline in the economic field have been resolved.

A general inspection on taxation, financial affairs, and prices fudamentally accords with strengthening financial and economic discipline as well as with reforms, opening up to the world, and enlivening the economy. The state has formulated quite a number of policies, principles, and regulations beneficial to developing production and invigorating the economy. They are the legal bases for correctly handling the relationships of interests between the state, the enterprise, and the individual, as well as effective weapons for guiding reform work. Enterprises should make every effort to increase their economic results and improve the welfare of their staff and workers through reforms. However, they should do so by observing state policies, laws, and decrees as well as economic regulations. Deliberate violators should be resolutely exposed and seriously dealt with. Practice over the past few years suggests the supervision and inspection should be strengthened in the course of opening up to the world. This is an indispensable condition for ensuring the successful implementation of state policies, laws, and decrees. Ideas which maintain that one can do as he likes in disregard of law in the course of opening up to the world and invigorating the economy run counter to the purpose of reforms.

RENMIN RIBAO COMMENTATOR ON MARKET, RELAXATION

HK080935 Beijing RENMIN RIBAO in Chinese 4 Oct 86 p 2

[Commentator's article: "The Market Is Not Necessarily 'Activited Once the Restrictions are Relaxed'"]

[Text] The relaxation of prices for agricultural and sideline produce has powerfully promoted the development of the urban economies and the rural prosperity of the market. However, with the disharmony between production and marketing have emerged in many localities. For example, a "wool war" emerged once relaxation of wool prices was implemented, and restrictions on grain were imposed once relaxation of grain prices were implemented. How did those problems come about? How should we deal with them? The investigation of Hunan's imposing restrictions on hogs carried in this paper today shows that economic development in the rural areas is facing a new task of organizing and building the market.

Organizing and building the market means building up a new set of operative order of the socialist market while reforming the old order of planned economy. This is very arduous as well as complicated work. With the gradual relaxation of prices for agricultural and sideline produce, the realm of market regulation has gradually expanded. [paragraph continues]

The facts in various localities have told us that relaxation of the market and prices does not mean establishment of the market mechanism. China's commodity economy was long interrupted, and market exchange is still extremely underdeveloped. Now, with the conversion from a semi-self-sufficient economy to commodity economy in the rural areas, it is necessary to set up a market order suitable for the development of commodity economy. For example, with the implementation of a multi-channel operation, how should we draw up regulations for the market? Under the new condition that the original distribution structure has been broken, how should we harmonize the relations between one department and another, one locality and another, one section of people and another, between the state and the collective, and between the state and the individual? With the gradual reduction of mandatory plans, how should such economic levers as prices, taxes, and profits become harmonious and play their roles? All this awaits our in-depth study and solution. Only when we earnestly solve this series of questions in the course of relaxing restrictions, by achieving simultaneous breaking up the old and setting up the new and simultaneous transformation and cultivation, will it be possible eventually to reduce all kinds of friction and gradually to set up a new structure of market economy which is simultaneously harmonized and orderly.

Some comrades believe that market regulation means relying solely on the function of the law of value; the economy will be "activated once price restrictions are relaxed," and the market will naturally come into being. This is an oversimplified idea. Market economy is by no means an economy needless of regulation and organization. Even under capitalist conditions, the market is inseparable from certain regulation. Of course, when we say organizing the market, by no means can we arbitrarily intervene in the market. What we mean is that a good market environment will come into shape through our organizational work. The precondition for doing a good job of such organizational work is to suit the law governing the market. Therefore, we must understand the market and have control over and acquire genuine understanding of the market. At present, many comrades have very little knowledge about the market and failed to follow the new situation of the development of commodity economy. We should first change this situation.

ENTERPRISES SET UP LEGAL CONSULTATIVE OFFICES

OW071525 Beijing XINHUA in English 1441 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Nearly 40,000 Chinese enterprises have set up legal consultative offices, with lawyers as their legal advisers, an official of the Ministry of Justice told XINHUA today. Also, more than 4,000 other large or medium-sized businesses have established similar offices made up of their own personnel.

Enterprises's external relations have become complicated with the development of the commodity economy, which calls for legal regulation. According to the Ministry of Justice, the state has enacted more than 300 economic laws and degrees such as the economic contract law and the patent law.

The legal consultative office offers legal service to the director of a factory. It takes part in the decision-making and management of a factory, and plays an important role in a factory's major external economic, technical and trade negotiations, as well as in the management of key economic and technical contracts.

The Shanghai No. 5 Steel and Iron Works, with a workforce of over 10,000, once faced a default of five million yuan by its partners. However, this has been changed with the presence of the legal consultative office.

From 1984 to June this year, the factory has never had a dispute with its partners over any of their 120,000 contracts, valued at 3,300 million yuan, because of its own mistakes. Since 1983, the legal consultative office has settled 79 default cases through legal actions or other channels, recovering a total of five million yuan in default.

LABOR MINISTER EXPLAINS LABOR CONTRACT SYSTEM

HK081441 Beijing RENMIN RIBAO in Chinese 5 Oct 86 p 2

[Report: "Minister of Labor and Personnel Interviewed on the Labor Contract System"]

[Text] Some people are apprehensive that implementation of the labor contract system will injure the interests of the workers. For this reason, this reporter interviewed Zhao Dongwan, minister of labor and personnel. He answered questions raised by the reporter.

[Reporter] What are the differences between workers under the labor contract system and permanent workers?

[Zhao Dongwan] Workers under the labor contract system and permanent workers are all regular workers employed according to the state's labor and wage plan, but the two systems are different.

Permanent workers are recruited and assigned by means of administrative measures. They have permanent labor relations with the state and enterprises throughout their lives. But workers under the labor contract system establish their relations with the employment units through the form of labor contracts. They can choose proper jobs for themselves under certain conditions. They enjoy the same rights as permanent workers in the same enterprises, and generally receive the same pay and enjoy the same treatment in other aspects, including insurance and material benefits, as permanent workers working on the same post or doing the same jobs. The difference is that insurance and other benefits for the workers under the contract system are provided in the form of subsidiary wage based on their work. This is a kind of reform.

[Reporter] Will jobs remain secure after practicing the labor contract system?

[Zhao] After practicing the labor contract system, jobs will remain secure for most workers. even for workers on short-term contracts, provided they work and study hard and observe discipline, their contracts will certainly be extended. Of course, the phenomenon that a small number of workers must wait for jobs for the time being still cannot be avoided. They can seek employment through various channels such as those introduced by labor departments, organized on the basis of volunteerism, and self-employed, with the assistance and guidance of labor service companies. Thus, the time of waiting for jobs can be shortened.

[Reporter] Why is it necessary to abolish the system of "replacement by the employees' sons and daughters" and the method of "recruiting the employees' sons and daughters?"

[Zhao] These were temporary measures adopted some years ago when there was great pressure of unemployment in towns and cities. [paragraph continues]

They played some positive role in solving the problem of unemployment. But they also resulted in lower quality of the workers' ranks, the complicated relations of relatives, and more difficulties for enterprise management. At the same time, the dependent mentality of some young people waiting for jobs was encouraged and quite a few young people lost the opportunity to seek employment on an equal basis. After the system of "replacement by the employees' sons and daughters" and the method of "recruiting employees' sons and daughters" were abolished, the state enterprises recruit workers from the society, giving overall consideration to the employees' moral character, education, and health conditions. Thus, the quality of workers can be ensured and improved and all those waiting for jobs can have equal opportunities to select jobs.

[Reporter] How do we ensure correct implementation of the regulations on dismissing workers who have violated discipline?

[Zhao] In the "Temporary Provisions on Dismissing Workers Who Violate Discipline," there are definite stipulations about the conditions and procedure for dismissing workers. Workers dismissed by enterprises should be those who have seriously violated labor discipline but still cannot be discharged from public employment and those who refuse to mend their ways through education or administrative disciplinary measures. Before they are dismissed, it is necessary to solicit opinions from the trade union, and when the final decision is made, it is necessary to report to the higher-level responsible department and local labor and personnel department for the record. Thus, improper dismissal and abuse of power may be prevented. If such phenomena as retaliation actually appears, it is necessary to deal with it seriously. If the worker refuses to accept the decision on his dismissal, he can appeal to the local labor dispute arbitration committee; and if he still disagrees with the arbitration, he can appeal to the local people's court. If workers who have been dismissed deliberately make troubles which affect production, work, and social order, they will be dealt with by the public security organs in accordance with relevant stipulations of the "Regulations Regarding the Punishment of Those Who Disturb Public Order." The dismissed workers will be taken care of by the state. They will be trained by local labor service companies so that they may obtain jobs again as soon as possible. In the period of waiting for jobs, they will be given unemployment relief funds according to relevant stipulations.

More Labor Contract Queries

OW081425 Beijing XINHUA Domestic Service in Chinese 1241 GMT 6 Oct 86

[Excerpts] Beijing, 6 Oct (XINHUA) -- The State Council announced on 9 September the regulations on reform in labor system, including "Provincial Regulations Governing Labor Contract System for State-Owned Enterprises," "Provisional Regulations Governing the Recruitment of Workers by State Enterprises," "Provisional Regulations the Dismissal of Undisciplined Staff and Workers of State Enterprises," and "Provisional Regulations Governing Unemployment Insurance for State-Owned Enterprises." In studying and implementing these four provisions, comrades in all areas, departments, and enterprises have raised some questions. With these questions in mind, this reporter interviewed a responsible person concerned of the Labor and Personnel Ministry. [passage omitted]

Question: What is the difference between labor contract system workers and "contract workers"?

Answer: Labor contract system workers are regular workers employed according to the state labor wage plan and assigned to permanent work posts. [paragraph continues]

They enjoy the same rights, including the right to work, study, join the democratic mangement of the enterprise, and win political honor and material encouragement, as their enterprise's regular workers. Generally speaking, their wages, insurance coverage and fringe benefits are kept at the same level as the regular workers' in the same enterprise, but some reform as been made. The enterprise has reduced some of their insurance coverage and fringe benefits and given them allowances to make up for them. The state adopts a system providing unemployment insurance and retirement social insurance for contract system workers.

"Contract workers" appeared after 1956. Their employment form is similar to that of temporary workers. In general, their wages and insurance and fringe benefits are the responsibility of the local departments and their enterprises. Their general level is lower than that of regular workers at the same enterprises. They do not enjoy unemployment insurance coverage or old-age retirement insurance coverage. [passage omitted]

Question: Why are enterprises authorized to dismiss staff members and workers who violate discipline?

Answer: The "Provisional Regulations Governing the Dismissal of Undisciplined Staff and Workers of State Enterprises" promulgated by the State Council authorizes an enterprise to dismiss staff members and workers who violate discipline so as to strengthen an enterprise's labor discipline and improve the quality of workers. In the past, an enterprise had no authority to dismiss a few staff members or workers whose violation of discipline was not serious enough to warrant expulsion. As a result, the enterprise faced a very difficult situation. The number of such workers was small, but they kept committing small errors; corroded the ranks of workers; and damaged the interests of the state, the enterprise, and the majority of workers. Dismissal of such people can help encourage healthy trends, develop workers' enthusiasm, strengthen labor discipline, improve the enterprise's labor management, and raise productivity.

Question: Why is the maximum length for unemployment relief limited to 24 months?

Answer: It is necessary to encourage the unemployed to get jobs as soon as possible since the state cannot shoulder the burden for their relief indefinitely. When the length of time for unemployment relief reaches 24 months, a few people can seek official relief if they still cannot find work. [passage omitted]

LABOR REFORM VIEWED AS 'PROFOUND REVOLUTION'

HK100049 Beijing BAN YUE TAN in Chinese No 18, 25 Sep 86 pp 17-19

[Article by Wang Jianxin (3769 1696 2450): "Several Questions About Understanding the Labor System Reform"]

[Text] The reform of the labor system is a profound revolution. It naturally has an impact on people's traditional concepts and habits. It will elicit different ideological and psychological reactions. Therefore, the understanding of some ideas is of great importance in ensuring the smooth progress of the reform.

1. One prevailing view is that there are not great differences between our labor contract system and capitalist wage labor. Such a view is incorrect.

Wage labor is a capitalist product. In capitalist society, capitalists posses the means of production and workers are sellers of labor. What wage labor reflects is the relationship of the exploiter and the exploited between capitalists and workers. The labor contract concluded between them is actually one for the sale of workers' labor. Our country is a socialist state, and laborers are the masters of society. Workers work for society and, at the same time, for themselves. The introduction of the labor contract system calls for affirming the labor relations between workers and an enterprise in the form of a contract on the basis of the socialist system of public ownership, with the responsibilities, obligations, and rights of both sides clearly defined. This encourages the workers' enthusiasm and releases productive forces. It also helps in the distribution of economic interests among the state, the enterprise and the worker. Therefore, the labor contract system introduced in our country is basically different from capitalist wage labor.

Those people holding the above view also ay that the introduction of the labor contract system would give rise to the idea that workers are hired. There is also no basis for such an argument. Anyone knows that given ideologies and concepts are a reflection of a given social economic state. The idea of being hired is a reflection of the economic state of capitalism and is directly linked to wage labor. It is not necessarily linked to the socialist labor contract system. There is no denying that in some enterprises with a relatively poor showing in ideological and political work, an extremely small number of people are lacking in socialist labor consciousness and initiative. This is the result of the influence of old ideas left over from old society. It similarly exists under a permanent work system.

2. Some people contend that the introduction of the labor contract system clashes with the position of workers as masters of the house. This is a mistaken idea.

The position of workers as masters of the house under the socialist system is determined by the system of public ownership of the means of production. The introduction of the labor contract system does not change the nature of the system of ownership of the means of production. This cannot change the position of workers as masters. After the introduction of the labor contract system, workers can choose their work and working unit. They can sign contracts with an enterprise after consultations on an equal footing. The responsibilities, obligations, and rights of both sides are affirmed. Workers' material interests and their individual contribution of labor are linked up in a better way. Workers' job security is more closely linked to the fate of an enterprise. Workers' labor done for society and an enterprise and for themselves is merged as one and the same thing. All these give full expression to the position of workers as masters. With the introduction of the permanent work system of the past, workers had not roght to choose their work or working unit. The state assigned them to enterprises by using administrative means. The relations of lifelong labor were formed. Workers' enthusiasm suffered to a certain degree.

A problem in real life now is that some people discriminate against labor contract workers and treat them as temporary workers and contract workers, depriving them of such rights as labor, work, study, participation in enterprise democratic management, entitlement to political honors and material incentives, and so forth, which they should equally enjoy with permanent workers in an enterprise. Such an unfair situation must be rectified. Otherwise, the labor contract system workers' enthusiasm and creativity as masters of the house will suffer.

3. Some people say that the introduction of the labor contract system has shattered the "iron rice bowl" and that this benefits enterprise but not workers.

The "Tentative Regulations for the Introduction of the Labor Contract System in State Enterprises" clearly say that in signing a labor contract with a worker, an enterprise must act in accordance with the state's relevant policies and laws; uphold the principle of equality, willingness, and unanimity reached through consultation; and define the responsibilities, obligations and rights of both sides. It can be seen that the labor contract system upholds the legitimate interests of both sides -- the enterprise and the worker -- and equally benefits the worker. Concretely speaking, first of all, a worker can choose a job or enterprise in line with his own specialities, interests, and physical capabilities and give full play to his own wisdom and talents in contributing his strength to socialist construction. This gives better expression to the position of workers as socialist people and their equal right to applying the public means of production in doing labor. Second, workers' responsibilities, obligations and rights are clearly defined in the form of a contract, enabling workers' legitimate interests to be recognized by an enterprise and to be legally guaranteed. Third, the stipulation about freedom of taking and leaving a job encourages competitiveness in knowledge, technology, and talent among workers and provides a wide-ranging stage for workers who make great contributions to society, thus stimulating workers' enthusiasm in improving themselves and getting ahead.

4. Some people worry that the introduction of the labor contract system would cause an unstable force of workers. This reveals a mistaken understanding of the rational circulation of laborers. The advantage of a permanent work system is a stable force of workers. This can also be achieved by introducing the labor contract system. But things are not done in a fixed way. Rational circulation can be brought about. Like "stability," such "circulation" is beneficial to enterprises and individuals. First, what is developed by our country is a planned socialist commodity economy. This determines the stable development of most of enterprises. So long as a worker works with eagerness and willingness and observes labor discipline, an enterprise is not likely to annul a labor contract with him or to replace him with a new worker. Second, by introducing the labor contract system, an enterprise can, in line with production needs and features, recruit workers on a long-term contract basis. Third, an enterprise would show political concern for labor contract system workers, care for them during their lifetime, give them technical training, and make them feel like masters of an enterprise, as it does with workers now. Thus, workers generally would not want to suggest canceling a contract and look for another job. Fourth, the state has worked out necessary and strict regulations governing recruitment, employment, and the signing, alteration, and annulment of a labor contract. Neither an enterprise nor a worker can freely nullify a labor contract. If one side should arbitrarily do so, the other side can turn to a labor dispute mediation and arbitration organ for a solution. Therefore, with the introduction of the labor contract system, the stability of a force of enterprise workers can be maintained.

At present, the irrational circulation of a small number of workers, especially the irrational circulation of technical workers in certain trades and certain kinds of work, is attributable to many causes. The main cause is not the employment system. Nor is it a matter that can be solved by restoring the recruitment of permanent workers and catering to some people's taste for old concepts. An answer calls for taking advantage of a favorable situation and doing a good job of work. The enterprise leadership should strive to improve matters of operation and management, show concern and care for workers' enthusiasm, and increase the attraction of an enterprise. Meanwhile, the leadership must strengthen ideological and political work among workers and educate them in the need to correctly handle relations among the state, the enterprise and the individual to ensure the stability and rational circulation of a worker force.

The reform of the labor system covers a wide area and has much to do with policy. [paragraph continues]

Given the lack of experience, various difficulties and problems will be run into during reform. Therefore, we must strengthen leadership, unify awareness, bring about cooperation from all sides, pool mass wisdom and correctly carry out the State Council's four stipulations. Only in this way can reform be properly handled.

SYMPOSIUM EXPLORES SOCIALIST COMMODITY ECONOMY

HK091301 Beijing RENMIN RIBAO in Chinese 3 Oct 86 p 5

[Article by Han Zhiguo (7281 1807 0948): "Useful Exploration of the Operational Mechanism of the Socialist Commodity Economy -- Roundup of Some Viewpoints Expressed at the Theoretical Symposium on Socialist Commodity Economy" -- capitalized passages published in boldface]

[Text] The symposium on socialist commodity economy initiated by the editorial departments of ZHONGGUO SHEHUI KEXUE, CAIMAO JINGJI, ZHONGGUO GONGYE JINGJI XUEBAO, the Academy of Social Sciences of Shanxi Province and some other units was held in Taiyuan between 19 and 23 August. The symposium was attended by more than 130 economic theorists and practical workers from all parts of the country. The symposium emphasized the implementation of the "double hundred" policy and put forward some new ideas and new concepts which are worth our further consideration. Now, I will sum up some of the questions and the relevant views discussed at the symposium:

1. The Operation of the Socialist Commodity Economy and the Reform of the Structure of the Ownership System [subhead]

Many comrades expounded and proved from various angles that the operation of the socialist commodity economy needs a structure of ownership system which conforms with it; one of the important tasks of the reform of the economic structure is to carry out the necessary reforms of the present ownership system of our country.

Some comrades believed that the socialist commodity economy cannot operate normally without an effective market. The so-called effective market refers to a situation where enterprises sensitively and rationally react to market signals and the parameter of indirect state control or regulation. The key to the efficiency of a market lies in the rationalization of enterprise behavior. In order to rationalize enterprise behavior, apart from the guidance of accurate signals, the internal departments of an enterprise must have an optimum interest structure. The internal departments of the enterprises presently under the state ownership system lack this kind of interest structure. Because the ownership is not clearly defined, the interests of the operators and the interests of the owners are not closely connected and the operators often tend to accommodate themselves to the short-term interests of the workers. Therefore, we must carry out the reform of the state ownership structure in order to form a self-restricted and self-coordinated internal structure of enterprises. The implementation of the stock system in the state economy is one path to this reform.

Some comrades believe that the operational mechanism of commodity economy is a combination of the system of adjustment mechanism and the system of starting mechanism. The fundamental function of the former is to adjust the way the commodity production and the market demand adapt themselves to each other while the latter indicates that whichever way the commodity economy starts to operate, that is the form of the ownership system. In the operation of the commodity economy, the system of starting mechanism will inevitably react either coincidently or contradictorily to the system of adjustment mechanism.

That the enterprises under the system of state ownership react slowly to market signals is a manifestation of just such a contradictory reaction. So, it is quite necessary to reform the system of state ownership.

Some other comrades believe that the relationship between the commodity economy and the ownership system must be clearly defined. The commodity production is a special pattern of the mode of production and has a more fundamental and profound significance than the ownership system. Commodity production is also the direct economic basis for determining the ownership system which highly generalizes and embodies the relations of production in a concentrated way. The logical order is: productive forces -- mode of production -- relations of production. The ownership system restricts and influences the commodity economy to a certain extent, but it cannot change the nature of the commodity economy. We must clearly understand the commodity economy basis of the socialist public ownership and reestablish an ownership structure which conforms with the commodity economy basis and stressed the public ownership.

2. Some Tentative Ideas on the Reform of the System of State Ownership [subhead]

At the symposium, various views concerning the reform of the system of state ownership were put forward.

THE FIRST VIEW: TO PERSONIFY [REN GE HUA 0088 2706 0553] THE FUNDS. Some comrades thought that proceeding from the angle of rationalizing the enterprises, the key to the reform of the system of state ownership lies in: 1) Establishing an authority in the enterprises, which cannot only really represent the value-added interests of the owners but also have a complete right of operation; 2) Softening the direct interference in enterprises by the responsible departments of the state through the pluralization and decentralization of the owners; 3) Linking the staff and workers' desire to earn more salaries with the enterprises' desire to gain more profits by defining and specifying the ownership of the staff and workers. In a word, we must establish an interest structure in which the owners, operators and workers cannot only restrict one another but also coordinate with one another. Thus, the system of state ownership can gradually be turned into the stock ownership system in which the state, the enterprises and individuals participate.

THE SECOND VIEW: TO REALIZE THE MECHANIZATION OF INTERESTS. Some comrades believed that it is almost impossible to personify the funds in our country, so the reform of the system of state ownership should take the form of mechanizing the interests, that is, to try by means of various economic mechanisms to make the interests of the state, the enterprises, and the individuals mutually dependent. Such a mechanism consists of three aspects: First, to link the operation of the enterprises with the interest of the staff and workers through the internal mechanism of enterprises so as to impel the staff and workers to care about the economic results, the accumulation and development, and the long-term behavior of their own enterprises; second, to cut off the "umbilical cord" which links the state and the enterprises and in a planned way, to make their operations long-term ones with the help of the market pressure; third, through the economic rules and regulations and the macroscopic readjustment, to guide the enterprises' motive force for achieving the biggest profit to serving the realization of the biggest social benefit.

The third view: TO TURN THE SYSTEM OF THE STATE OWNERSHIP INTO THE SYSTEM OF ENTERPRISE OWNERSHIP. This can be divided into three stages: The first stage: When the new and old systems coexist and the old system still has an edge on the new system, the state can control both the funds and materials of enterprises, but the state control on materials should be more relaxed than the state control on funds; the second stage: After the new system gains an edge on the old system, the state can only control the funds not the materials of the enterprises; the third stage: After the enterprises have paid back the state investment, the enterprises are separated from the state in ownership and the enterprise ownership is in turn realized.

The fourth view: THE STATE OWNERSHIP SYSTEM WHICH IS PRINCIPALLY A UNITARY OWNERSHIP SHOULD BE TURNED INTO A COMBINED OWNERSHIP SYSTEM WITH VARIOUS ECONOMIC FORMS. The main part of the combined ownership system is the economic entities and enterprise groups formed by enterprises under different ownership systems and different enterprises with the same ownership system according to the principle of mutual benefit, so the the combined ownership system is a legal person. This kind of combined ownership system conforms with China's present social capacity to withstand strains and is conducive to linking macroscopic readjustment with enterprise behavior.

The fifth view: TO IMPLEMENT THE MODEL WHICH STRESSES THE PUBLIC OWNERSHIP AND COMBINES VARIOUS TYPES OF OF OTHER OWNERSHIP. The general principle is: 1) We can sell to individuals or groups those state enterprises which account for a small proportion in the gross national product, but which are many, whose products often change, whose products cannot be easily replaced and whose capital value can be easily assessed; 2) We can "contract out" or "rent out" those state enterprises which account for a relatively big proportion in the gross national product, whose products do not often change and whose products can be easily replaced so as to separate the ownership from the operation and enable the owners to only take part in the distribution of the enterprise profits and not to intervene in the production and management of the enterprises; 3) We should still let the state own those enterprise which are few but have a high degree of industrial monopoly. However, we can implement various kinds of management responsibility systems in these enterprises so as to enable them to have a certain degree of decision-making power and become a kind of improved state-owned enterprise.

3. Two Models for Regulating the Market [subhead]

Many comrades pointed out that our country's macroeconomic administration must shift its stress from direct control to indirect control. Under the new economic structure which has undergone reform, the conductive mechanism in the economic operation will be that "plans regulate the market and the market regulates the enterprises." However, as to how to realize the plans regulating the market, two models were proposed in the discussion. One is that the state will control prices, interest rates, and salaries and the state will regulate the market according to the needs of macroeconomic control so as to regulate the production and operation activities of the enterprises. Another is that the changes of prices, interest rates, and salaries are determined by the market and are not directly controlled by the state. The state can indirectly regulate the changes of prices, interest rates, and salaries by regulating the economic parameter, that is to regulate the controllable economic variable controlled by the state, such as the preparatory rate of bank savings, the rediscount rate, the revenue, the financial expenditure and so on so as to regulate the overall activities of the enterprises. However, this cannot be realized within a short period of time, but this can be the model of our long-term goal. The comrades who advocated the second model thought that the automation of prices, interest rates, and salaries is indispensable to perfecting the market system and market mechanism and realizing the rationalization of resources. [paragraph continues]

If prices, interest rates, and salaries are not put into the market but are directly controlled by the state, enterprises will probably not be able to regulate their own production and operations according to the real market signals so that they will not be able to really assume full responsibility for their own losses and profits.

In addition, at the symposium, heated discussions were also held on the reason, the necessity of development, the nature, the characteristics and the law of development of the socialist commodity economy and some other important questions.

SEZ FOREIGN BANKING EXPANSION PROMISED

HK090745 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 9 Oct 86 p 1

[By Paul Sham]

[Text] China is soon to allow foreign banks operating in the country's Special Economic Zones (SEZs) to expand the scope of their operations, banking sources in Shenzhen said yesterday.

They said the move was part of the Government's program to alleviate the problems foreign banks face under a depressed business climate.

One major concession on the cards would permit wholly foreign-owned banks and joint-venture banks to offer trade financing to domestic enterprises, the sources said.

Under current law, domestic enterprises may obtain letters of credit only from the Bank of China, though in special cases, a foreign bank can issue a letter of credit if the domestic borrower uses the money to purchase imports.

The sources said if foreign banks were indeed able to expand into trade financing, their business would boom, as most are now struggling under the double yoke of heavy restrictions and a slowdown in foreign investment.

In addition, the increasing number of reports of failed or troubled business ventures in China had dampened many banks' interest in project financing, which had previously been the main activity of most foreign banks in the SEZs.

The sources said foreign banks were not steering clear of project financing because the risks involved were deemed too great.

Thus the ability to conduct billing operations, which are attractive because of the relatively short payback periods involved and foreign-currency backup, would be welcomed by foreign bankers.

Such business was previously limited because joint-venture enterprises seldom made use of billing services, as most have offices in Hong Kong, and thus payments for imports are negotiated via a draft against payment through the Hong Kong office.

Wholly foreign-owned enterprises in the SEZs also have had little need for local billing services in the SEZs because of their close relationships with parent companies overseas.

The sources said the move to relax banking restrictions would be included in the proposed implementation rules of banking regulations covering foreign and joint-venture banks.

The new rules, which are expected to be announced soon, would clarify the grey areas of the bank law promulgated April 1985.

COUNTY REVIEWS POPULAR REACTION TO RURAL REFORM

HK090749 Beijing RENMIN RIBAO in Chinese 3 Oct 86 p 1

[Report by Ling Zhijun (0407 1807 6511) and Yang Jun (2799 6511): "Shenxian County Endeavors To Find Out the People's Demands, Sets Up Service Companies To Promote Reform"]

[Text] What is the current rural situation like? What are the peasants satisfied with most? What are they discontented with most? What are they concerned about? What are their troubles? Through a series of investigations conducted among the peasants, Shenxian County in Hebei found the answers to these questions and also analyzed the problems that hindered the deepgoing rural reform.

The first investigation of popular feelings started countywide in April this year. More than 200 cadres from the county party and government organs went to the rural areas and held talks with some 700 peasant households. The period lasted around 1 month. Later, the bureaus of forestry, animal husbandry, and electricity respectively conducted sample surveys of 100 peasant households to analyze the problems of the relevant trades. The overall investigation concluded in mid-September.

In the 700 questionnaires collected, the peasants made 5,588 proposals and suggestions, which reflected the current rural situation and the voice of the peasants. The peasants are most satisfied with their decision-making power. Over 95 percent of the peasants spoke highly of the production responsibility system which enabled them to increase their income. They are concerned about the following two issues: First, that the policies should remain unchanged; and second, that production conditions should be improved as quickly as possible, which respectively accounted for 80 percent and 95 percent of the peasant households interviewed. According to 98 percent of the peasant households, the lack of resources for expanding production, the absence of guarantees in purchasing means of production, and backward production conditions are their immense difficulties in developing production.

The findings of the county party committee point out that the peasants are satisfied with the contract system, as they have benefited from it, but the second stage reform is completely a new thing to them. The peasants are now satisfied with the party's major policies but not with the minor ones; namely, they are satisfied with the basic rural policies, but are not satisfied with the fact that specific policies have not yet been implemented. For example, the reform of the farm produce purchase system has not been implemented and mandatory planning and administrative interference still prevail in the implementation of the grain purchase system.

The findings point out that the peasants have a lot of complaints about indiscriminate price hikes, exaction of charges, and reduced prices for farm and sideline products. [paragraph continues]

Electricity charges increased by 100 percent, water by 200 percent, and diesel oil by 300 percent in 3 years. Although relevant measures have been taken this year to cut down unnecessary items, there are still 14 items that require payments from rural income compared with the 18 in 1985. The peasants benefited from the increase in prices of farm and sideline products a few years ago, but this has been offset by the indiscriminate price hikes and exaction of charges in recent years. If we compare the figures for 1985 with those for 1983, the net income from every mu of grain decreased by 20 yuan and the net income from every mu of cotton decreased by 67 percent.

The findings show that the peasants' difficulties are caused by a lack of social services. Following the imnplementation of the contract system, peasant households have encountered numerous problems in their operation. The peasants said: "With the shortages of electricity and oil, you simply cannot do anything. Furthermore, you have to pay extra for the services you need." At present, the peasants strongly demand measures to improve services.

The findings also analyze the mentality of being contented with the initial stage of prosperity in the rural areas and point out that this is an ideological obstruction to the deepgoing rural reform. The majority of the peasants are content when their investment and output reached a certain level. Therefore, they would rather maintain the status quo in land management. The peasants seldom think of bringing about better results from the cultivated land and lack understanding of large-scale agriculture, ecological agriculture, and other new concepts.

While conducting investigations of popular feelings, the Shenxian County party committee and government resolved some problems in light of the peasants' demands. For example, several service companies were set up for relevant trades, the prices of electricity was strictly controlled, and schemes were worked out and measures taken for the deepgoing rural reform. Nevertheless, the county party committee believes that these problems can be solved with the concerned efforts of various fields, rather than relying merely on the efforts of the county authorities.

Commentator's Article

HK090751 Beijing RENMIN RIBAO in Chinese 3 Oct 86 p 1

[Commentator's article: "Reform -- the Only Way Out"]

[Text] "Crowned with success, the rural reform has come to an end." The investigations of popular feelings in Shenxian County has negated this statement.

"As the focus of reform has been shifted onto the urban areas, rural matters can be put aside." The voice of Shenxian peasants has also negated this statement.

"Is the case of Shexian county exceptional or universal?" According to the investigations in other rural areas, the situation in Shenxian County represents the localities that mainly engage in farming.

The first stage of rural reform has enabled the peasants to gain the position of independent commodity producers. They can now establish contacts with various fields in society. This is the prerequisite for shifting rural production to commodity economy. This achievement should not be underestimated. [paragraph continues]

However, the prerequisite is not tantamount to commodity economy. There are still many new problems that are not yet settled, and each step taken to settle these problems usually conflicts with the structure of the old natural economy. For example, the reform of the price system may involve the interests of various fields. A slight move in this regard may affect the situation as a whole. For another example, the measures taken to lift restrictions on various commercial channels may give rise to contradictions between various parties in the market. These are obstacles placed by the old structure before reform and the new structure. There is nothing strange about these obstacles. It would be surprising if there were no obstacles at all.

We can neither view the formidable obstacles with despair nor turn a blind eye to them. The only way out is to carry out reform, remove the obstacles, and create a suitable and spacious environment for the development of rural commodity economy.

Many of our comrades engaged in rural work have a rough idea of the rural situation and have realized, to an extent, the peasants' difficulties. The problem lies in that "rough" rather than specific and that "to an extent" rather than profoundly. In order to remove the obstacles, you should first understand them. From the conversations with the peasants, the cadres of Shenxian County have a clear understanding of the peasants' views. It is indeed commendable that they did not cover up the problems and publicize the achievements. It is a fine thing that they have recognized the numerous problems and difficulties. A doctor can suit the medicine to the illness when he has made a definite diagnosis. In a sense, the reform of the economic structure can be regarded as treating the illness of the old system. The more you can recognize the obstacles created by the old system, the better and more practical your policies and measures will be.

While removing the obstacles to the deepgoing reform, we cannot use the old methods to solve new problems. We should by no means resume the irrational administrative interference that has been removed. We can try out some new methods. While carrying out the system of contracted responsibility with payment linked to output, we did not have a full set of perfect methods. Yet, we gradually perfected the system by boldly conducting experiments and blazing new trails in light of the circumstances in each locality. While carrying out the second stage of reform, it is still necessary to bring forth new ideas in the system, organization, and measures. Only by bringing forth new ideas can a new mechanism take shape and become perfect.

When you are sure of a matter, you should go ahead and do it with many tasks to perform in the rural areas, the efforts made in organizational work are still inadequate. Many measures are still in the form of documents, meetings, and verbal statements and are not yet implemented. We should particularly emphasize that "practical action is better than a dozen programmes," remove the obstacles in a down-to-earth manner, and develop the reform in depth.

LOWER INCOME TAX SLATED FOR FOREIGN FIRMS

HK090454 Beijing CHINA DAILY in English 9 Oct 86 p 1

[By staff reporter Liu Dizhong]

[Text] The ministry of finance has cut the income tax rate for China-based foreign companies, CHINA DAILY learned yesterday.

Under article 4 of the Revised interim provisions for collecting industrial and commerical consolidated tax and business income tax from China-based foreign companies, the rate of income tax to be paid by these companies will be 10 percent, 5 percent less than the previous rate.

The revision, made with the approval of the State Council, is aimed at encouraging foreign companies to expand their business in China. It is also made in consideration of the differences in profits each company earns, a ministry official explained.

The number of foreign representative offices in China has increased from about 900 in 1984 to more than 1,600 this year.

The government is working on a series of new measures to attract more foreign investment to China, which are expected to be promulgated either this month or in November.

The state is also carrying out a national survey of sino-foreign joint ventures to help projects that have not been started on schedule because of various problems.

This was disclosed by Gu Ming, chief of the Economic Legislation Research Centre under the State Council, in an interview with CHINA DAILY yesterday.

The new measures, he said, would greatly promote the expansion of foreign investment in China.

The current world economic situation is favourable to China as the United States, Japan, and some developed countries in West Europe are showing more interest than before in increasing their overseas investment. "If we create a better and more rational environment, it is very possible for China to see another wave of foreign investment," Gu said.

The first wave followed the beginning of the nation's open policy in early 1980. Over the past seven years, more than 6,000 equity joint ventures, contractural joint ventures and wholly-owned foreign companies have been set up across the country involving a total investment of $5 billion from 28 countries and regions.

Gu said the new measures would ensure that foreign investors will make more money through their investment in China. The measures will include reducing tax rates for firms with foreign investment more flexible rules to help sino-foreign ventures get around the problem of foreign currency account deficits, and especially favourable wage and land rent terms.

The new rules will also guarantee the rights of sino-foreign ventures and wholly-owned foreign companies to hire and fire their own staff.

Because of the shortage of foreign currency over the last two years, Gu said some projects had stopped negotiations with foreign investors while some signed contracts had not been implemented fully. The recent devaluation of the Rmb yuan also had an unfavourable impact on a number of local equity joint ventures.

Feasibility studies of future projects will try to avoid duplicated technology imports and new laws will be issued to ensure that signed contracts go smoothly. Foreign investors will be encouraged to take legal proceedings against those firms which do not abide by contracts, Gu said.

Gu stressed that China must be bold enough to let foreign investors make more money. The reason is simple: If foreign investors lose their money, the Chinese partners will make no profits either. The more foreign investors earn the more the Chinese side will earn too. "Like sailing on the same boat, we are of the same destiny," Gu said.

"We must also be bold in borrowing foreign money and drawing more foreign funds," he said, adding that it is also important to use them wisely.

Since 1979, China has used more than $20 billion in foreign capital which has played an important role in serving the nation's modernization. Considering the size of China and its current economic basis and scale of foreign trade Gu said this was a "small sum" which the nation was fully capable of repaying.

ADVISOR WU LIANGPING DIES 8 OCT IN BEIJING

OW080441 Beijing XINHUA Domestic Service in Chinese 0653 GMT 5 Oct 86

[Text] Beijing, 5 Oct (XINHUA) -- Failing to respond to medical treatment, Comrade Wu Liangping, member of the Advisory Commission of the CPC Central Committee and advisor of the Party School of the CPC Central Committee, died at 2105 [Beijing time] 3 October 1986 in Beijing at the age of 78.

OFFICIALS ISSUE OBITUARY ON LIU BOCHENG DEATH

OW091308 Beijing XINHUA Domestic Service in Chinese 1128 GMT 9 Oct 86

[Beijing XINHUA Domestic Service in Chinese at 1140 GMT on 9 October carries a "public notice" relaying a message from the funeral office for late Comrade Liu Bocheng that says that the obituary be given "front pa[illegible]ominence"]

[Text] Beijing, 9 Oct (XINHUA) -- Obituary from the CPC Central Committee, the Standing Committee of the National People's Congress, the State Council, and the Central Military Commission:

The CPC Central Committee, the Standing Committee of the National People's Congress, the State Council, and the Central Military Commission announce with deep feeling of grief: Comrade Liu Bocheng, a great fighter of the Chinese people, fine member of the Communist Party of China, one of the founders of the Chinese PLA, great proletarian revolutionary, and military scientist, died of illness at 1740 on 7 October 1986 in Beijing. He was 94.

Comrade Liu Bocheng's life was glorious. In his youth, he participated in the 1911 revolution and the war against the northern warlords. After he joined the Chinese Communist Party in 1926, he launched the Luzhou-Shunqing uprising in Sichuan Province and participated in the launching and directing of the Nanchang uprising in 1927.

During the Agrarian Revolutionary War period, especially during the 25,000-li Long March, as the chief of general staff of the Central Military Commission, he performed outstanding meritorious deeds and waged a resolute struggle against the splitist activities of Zhang Guotao.

During the War of Resistance against Japan, he served as the commander of the 129th division of the Eighth Route Army, active in North China where he founded the Shanxi-Chahar-Shandong-Henan revolutionary base.

During the Liberation War period, he served as commander of the Shanxi-Hebei-Shandong-Henan Military Area Command, Central China Military Area Command and the Second Field Army. In 1947, he led an army of 100,000 strong men across the Yellow River and toward the Central China Plain, writing a glorious page in the annals of the strategic offensive of the Chinese People's Liberation. In a series of major battles that followed, he displayed brilliant military talents and made tremendous contributions to he founding of the People's Republic of China.

After the founding of New China, he served as the commandant and political commissar of the Military Academy, director of the Military Training Inspection Department of the Central Military Commission, vice chairman of the National Defense Commission, and vice chairman of the People's Revolutionary Military Commission, making major contributions to the modernization and regularization of the revolutionary Army.

The art of his military command and his astuteness and resourcefulness in operations is an important component part of Mao Zedong's military thinking.

In 1955, he was conferred with the military rank of marshal of the People's Republic of China. He also served as a member of the Seventh to Eleventh Central Committees of the Chinese Communist Party, member of the Political Bureau of the eighth to eleventh Central Committees of the party and vice chairman of the Standing Committee of the second to Fifth National People's Congress. From January 1966, he was appointed vice chairman of the Military Commission of the CPC Central Committee.

In 1982, he resigned from all leading posts in the party, state and the army because of old age and failing health.

With tremendous contributions and high prestige, Liu Bocheng was deeply loved and respected by the whole party, and whole army and people of all nationalities throughout the country.

The death of Liu Bocheng is a great loss to the party, the Army and the people.

We must turn grief into strength, learn from Comrade Liu Bocheng's revolutionary spirit and fine moral integrity, and work hard together to build China into a modern socialist country with a high degree of civilization and democracy.

Eternal glory to Comrade Liu Bocheng, a great proletarian revolutionary and military scientist!

GUANGDONG SENTENCES KMT 'SPIES' TO PRISON

HK100551 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1428 GMT 9 Oct 86

[Report: "Guangdong Judicial Organs Sentence Several Taiwan Spies to Prison" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 9 Oct (ZHONGGUO XINWEN SHE) -- According to local newspapers, the National Security Department of Guangdong Province recently uncovered a number of Taiwan spies and arrested Hu Hanchi and other four Taiwan spies. They have been sentenced to prison by the court.

Hu Hanchi is a special agent and liaison man of the Military Intelligence Bureau of Taiwan. He slipped into Guangzhou twice during the first half of this year to contact the hidden Taiwan spies there. He trained the hidden spies to use secret codes and receive the Taiwan spy radios and instructed them to collect information and steal CPC central documents.

Kuang Shaosen is also a special agent dispatched by the Military Intelligence Bureau of Taiwan. He slipped into Shaoguan City in 1985, at Chinese New Year. He recruited his younger brother, Kuang Shaokang, who worked in a hotel in Shaoguan, into the spy organization. After that, Kuang Shaosen reentered Mainland China several times in order to relay the instructions of the Taiwan spy organization to Kuang Shaokang assign to him the task of collecting political, economic, and military information. After joining the Taiwan spy organization, Kuang Shaokang offered the Mainland's political, economic, and military information to the spy organization on five occasions.

Ye Changfa is a special agent dispatched by the Taiwan KMT "Mainland Work Committee." Since 1985, he has frequently slipped into Shenzhen on the instructions of the spy organization. His spying activities included developing a spy ring in Shenzhen.

Taiwan KMT [Kuomintang] spy Bao Jincheng was a former member of a Hong Kong triad society. He joined Taiwan's spy organization in Hong Kong in 1983 and slipped into Guangzhou in April 1983 on the spy organization's instructions. At that time, another Taiwan spy, he Enjie, was arrested for hanging a reactionary slogan on the wall of the Guangzhou Hotel, and Bao issued threatening letters in the name of "the second branch of the Guangzhou City guerrillas," claiming that he would blast the export trade fair building in Guangzhou. After that, Bao Jincheng continued to slip into Guangzhou to develop a spy ring and to engage in other spying activities.

The national security authorities in Guangdong Province arrested the above-mentioned five spies after collecting definite evidence. Recently, the court of Guangdong Province tried them and sentenced Hu Hanchi, Ye Changfa, and Bao Jincheng to 6 years, 5 years, and 8 years' prison and sentenced Kuang Shaosen and Kuang Shaokang to 6 years and 3 years' imprisonment.

GUANGDONG SECRETARY ON SPIRITUAL CIVILIZATION

HK061438 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Oct 86

[Text] Members of the Standing Committee of Guangdong CPC Committee and comrades responsible for the province's Advisory Commission, People's Congress, people's government, CPPCC and Discipline Inspection Commission met on 4 and 5 October to study the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization.

They stressed: Now the important thing is that cadres at various levels, and particularly leading cadres, must take the lead in studying the resolution in earnest and grasp the essence of the resolution and must not go through the motions.

Lin Ruo, secretary of the provincial party committee, presided over and addressed the meeting. Comrade Lin Ruo said: The CPC Central Committee's resolution on the guiding principles for building spiritual civilization is a programatic document for strengthening the building of spiritual civilization in the new historical period, which is imbued with dialectical materialist ideas. With this resolution in mind, we will be able to overcome obstructions from the left and right in the building of spiritual civilization so that the building of two civilizations, and the building of spiritual civilization will develop in a healthy way.

Comrade Lin Ruo pointed out: Guangdong Province started carrying out reform and opening to the outside world earlier than others, so we must make a step forward earlier than others in building spiritual civilization. By studying the resolution conscientiously, we must seriously sum up Guangdong's experience in the building of spiritual civilization in the light of the its spirit and approach the problem of how to promote the building of spiritual civilization in Guangdong. We must particularly solve the problem of carrying out education on ideas and morality. At the same time, we must earnestly work out plans for building spiritual civilization in our province under the guidance of the resolution's spirit so as to push forward our work in this aspect.

GUANGDONG HOLDS TELEPHONE CONFERENCE ON RURAL WORK

HK060843 Guangzhou NANFANG RIBAO in Chinese 1 Oct 86 p 2

[Report by correspondents Cen Zhumou (1478 4371 6180) and Zhou Minwu (0719 6900 2076): "The Provincial Party Committee and Government Hold a Telephone Conference on Current Rural Work"]

[Text] At a provincial telephone conference on the evening of 29 September, Guo Rongchang and Ling Botang, responsible comrades of the Guangdong provincial party committee and government, made plans for current rural work in such fields as farmland and water conservancy construction during the autumn and winter, doing a good job in fighting draught in order to strive for a bumper harvest of late crops, resolutely materializing the 1986 plan for population control, strictly controlling the investment scope in capital construction, and doing a good job of party rectification at the township level in the rural areas.

According to Ling Botang, water conservancy has become an important issue with a direct bearing on the steady and continuous development of the province's agriculture as well as the entire national economy. A good solution to this issue depends on whether the leadership at all levels attaches importance to it and strengthens leadership. To lose no time in grasping the favorable conditions before the autumn harvest and the coming winter and spring, the provincial party committee and government required all localities to take rapid action and wage an upsurge of water conservancy construction during the autumn and winter on a large scale, in a more down-to-earth manner with greater results than in 1985.

Ling Botang said that the province has suffered from serious drought. Incomplete statistics show that more than 11 million mu of land planted with crops is inflicted with drought. Therefore, all localities must rapidly mobilize the masses to plunge into fighting the drought in order to save the rice shoots, and organize relevant departments to support the rural areas in fighting the drought and to strive for a bumper harvest of late crops.

Regarding planned parenthood work, Lin Botang expressed the hope that all localities would strengthen leadership and fulfill the responsibility of the population control plane assigned by governments at a higher level based on the requirements of Comrade Lin Ruo for implementing the responsibility system with targets during one's term of office at the provincial conference for party committee secretaries at the county (city) level.

Concerning the control of the investment scope of fixed assets, Lin Botang stressed that all localities should do a good job in weeding out projects under construction in a down-to-earth manner, resolutely put a stop to or slow down a number of capital construction projects that should not have started, and keep the investment scope of the province's capital construction under strict control.

At the telephone conference on the evening of 29 September, Comrade Guo Rongchang made a few suggestions on doing a good job of party rectification work at the township level. He stressed the need to have a very clear idea of the guiding idea of party rectification at the township level, to persist in high criteria and quality, while guarding against and overcoming the sentiments of conceit and relaxation, to give appropriate guidance by suiting measures to local condition, while giving focal help to backward party branches in solving existing major problems, to adhere to the principle of education and enlightment by attaching attention to doing a good job in ideological and political work, and to take a good grasp of simultaneous rectification and reform.

YOU TAIZHONG AWARDS GUANGZHOU PLA SOLDIERS

HK100437 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 8 Oct 86

[Text] On the morning of 8 October, the Guangzhou Military Region held at its autitorium a commendatory and awards presentation meeting entitled: "Dedicating Youth to the Battlefield in Southern China." You Taizhong, commander of the Guangzhou Military Region, and Zhang Zhongxian, political commissar of the Guangzhou Military Region, awarded bronze medals to 25 outstanding PLA soldiers.

At the beginning of this year, the political department of the Guangzhou Military Region decided to launch among CYL members and youths of the region a drive to award medals, entitled "Dedicating Youth to the Battlefield in Southern China." A total of 500 outstanding youths in the region won prizes during the drive.

In his speech at the meeting, Zhang Zhongxian demanded that CYL members and youths in the region carry forward the spirit of [words distinct], actively take part in the building of socialist spiritual civilization, and make new contributions to the revolutionization, modernization, and regularization of the PLA.

GUANGDONG TAKES ACTION AGAINST FALSE ADVERTISING

OW060712 Beijing XINHUA in English 0638 GMT 6 Oct 86

[Text] Beijing, October 6 (XINHUA) -- The Guangdong Administration on Commerce and Trade and provincial authorities have taken action to stop false advertising in the city.

Recently, the administration fined 22 advertising agencies and revoked the licenses of another 19 after an investigation of accusations of false advertising practices, "PEOPLE'S DAILY" reported today.

"They were punished because their advertisements were backed only by false words," the paper said.

According to the paper, authorities told another 92 individuals acting as unlicensed advertising agents to stop their businesses.

In addition, 1.58 million pieces of false trade mark paper have been destroyed and 3,000 falsely packed items sealed.

Over the previous few years, about one fourth of the agencies and many advertising agents have lied in their publicity, conducted business without the proper licenses, or made money through unscrupulous means, the paper said.

The government has now placed 200 advertising agencies and 300 advertising columns under its supervision, and is working out regulations controlling advertising by mail or on calendars.

GUANGDONG FORUM ON USE OF FOREIGN CAPITAL ENDS

HK080815 Guangzhou Gaungdong Provincial Service in Mandarin 1000 GMT 6 Oct 86

[Text] At the Guangdong provincial forum on using foreign investment money, which ended yesterday, Vice Governor Yu Fei stressed that we must seek unity of thinking and gain a deeper understanding of running enterprises with foreign investment well. Yu Fei said that running Chinese-foreign enterprises, cooperative enterprises and enterprises exclusively with foreign investment is an important aspect in our policy of opening up to the outside world. This has a direct bearing on our country's prestige of opening to the outside world and on whether the open policy can be successfully implemented.

After anaylzing problems relating to the use of foreign investment funds, Yu Fei said that from now on we must create a better investment climate to attract more foreign friends, compatriots from Hong Kong and Macao and Overseas Chinese to make investment in our province so that they will find that investment in our province is more worthwhile than in other countries. At present we must concentrate efforts on straightening out and improving the existing enterprises with foreign investment. Efforts should be made to solve a number of outstanding problems within the limits of our authority and problems such as offering preferential taxation, lowering charges, striking off unreasonable charges, issuing export licenses, and ensuring to enterprises full decision-making power should be solved before others.

GUANGDONG TO BUY ELECTRICITY FROM HONG KONG

HK080230 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 4 Oct 86

[Text] A signing ceremony for the contract for Guangdong province to buy electricity from Hong Kong with coal was held in Guangzhou this afternoon. During the dry seasons of this year and next, Hong Kong will supply 1 billion kilowatt-hours of electricity to our province.

During the dry seasons of this year and next, our province will be extremely short of power. To make up for the shortage, our province will buy 1.2 million tons of coal from Shanxi Province with the approval of the central departments concerned.

The National Coal Import and Export Corporation has been entrusted with shipping this amount of coal to the Hong Kong China Light and Power Company Limited in exchange for 1 billion kilowatt-hours of electricity.

It is learned that the electricity will be transmitted to our province during the period of greatest power shortage, namely between November and April. The supply of power will start in the coming November.

Representatives of the Guangdong Provincial Power Supply Corporation, the National Coal Import and Export Corporation, and Hong Kong China Light and Power Company Limited signed the contract today. Attending the signing ceremony were Liu Tianfu, member of the Central Advisory Commission, who is now staying in Guangzhou, Huang Ji, vice governor of the province, and other leaders of the provincial departments concerned.

GUANGDONG FULFILLS 1986 EXPORT QUOTA EARLY

OW092320 Beijing XINHUA in English 1640 GMT 9 Oct 86

[Text] Guangzhou, October 9 (XINHUA) -- Guangdong Province in south China has fulfilled the export quote three months ahead of schedule this year, the first of the Seventh Five-Year Plan period of 1986-1990.

According to statistics, by the end of September, Guangdong exported almost 2.9 billion U.S. dollars worth of goods accomplishing 100.8 percent of the year's export quota.

The figure also shows an increase of 43.3 percent over the same period last year.

Exports of light industry, textile and machinery and livestock products doubled over the same period last year, while exports of handicraft and machinery equipment increased 70 percent, with exports of food and local products up 60 percent.

Enterprises with foreign investment exported a total of 200 million U.S. dollars worth goods in the first nine months.

Local officials attributed the increase of exports to the expansion of production as a result of importing technology and equipment, the development of new products and measures to encourage exports.

GUANGXI RIBAO ON CENTRAL COMMITTEE DOCUMENT STUDY

HK071544 Nanning Guangxi Regional Service in Mandarin 1100 GMT 5 Oct 86

[Excerpts] GUANGXI RIBAO today carries an editorial entitled "To Conscientiously Study and Profoundly Grasp" in which it says the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee on the guiding principles on building socialist spiritual civilization is another programmatic document that guides China's socialist modernizations after the decision of the 3d Plenary Session of the 12th CPC Central Committee on reforming the economic structure.

In the areas of strengthening the building of socialist material and spiritual civilizations, promoting full-scale reforms and the policy of opening up, as well as building our socialism with Chinese characteristics, it will inevitably greatly and profoundly influence our party during the new historical period.

To implement the resolution on full scale is an important task for us at present. In order to perform the implementation well, we must first seriously study and profoundly and thoroughly understand the basic viewpoints and essence of the documents. Our past experience has shown that if we do not have a clear idea about and thoroughly understand the spirit of the documents but simply convene meetings, issue calls, and give instructions without much thought, we shall not achieve any good results or even make various mistakes in our work.

While summing up our good and poor work of building socialist spiritual civilization, the resolution draws new conclusions on many important issues concerning theory and time. It also proposes new thinking, new contents, and new viewpoints. It therefore reflects the conditions of the times. In order to really and thoroughly understand the spirit of the documents, we must conscientiously study them in a down-to-earth manner and repeatedly discuss them instead of simply glancing over them or holding one or two forums. Only thus can we integrate the essence of the documents as well as the central guiding principle with the acutal conditions, and can we correctly give instructions and formulate plans of implementation.

At present, to study and implement the resolution is a significant task of the whole party. All localities must give priority to this task. Leading cadres must take the lead and seriously study the documents well. At the same time, they should organize cadres and the masses within and outside the party to conscientiously study them, as well as always keep in touch with their departments and units about their situation of implementation. [passage omitted]

When studying the resolution, we should integrate theory with reality and avoid practising formalism. Over the years, the region has scored successes in building socialist spiritual civilization. But there are still many problems which do not conform to the requirements of our socialist modernizations. People's mental attitude and thinking still fall behind the development of reforms, opening up, and economic invigoration. Both party style and the general mood of society are yet to be further improved. Democracy and the legal system have yet to be perfected. The work of education, science, and culture is still backward. [passage omitted]

In our study, we must solve problems in these areas by integrating theory with realities.

In conclusion, the editorial says: The economic construction is a key work. Our building of spiritual civilization is carried out under the conditions in which the whole party and all people engage in construction and reforms wholeheartedly. This new pattern will inevitably call for making the building of spiritual civilization the driving force, spiritual support, and ideological guarantee of the building of material civilization.

All party organizations, as well as party members, cadres, and people across the region, should take prompt actions and actively respond to the call of thg 6th Plenary Session of the 12th CPC Central Committee. They should conscientiously study the documents, implement the resolution on full scale, resolutely do well in building the two civilizations, and strive for reaping a bumper harvest in both economic construction and comprehensive reforms, so as to welcome the coming 13th CPC Congress.

HENAN RECRUITS INTELLECTUALS INTO PARTY

HK091029 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Oct 86

[Text] The province's organization departments at all levels seriously implemented the guiding ideology of recruiting new members during the new period. They actively recruited elite intellectuals to the party.

Between 1979 and 1985, the province recruited some 83,000 intellectuals as party members, accounting for 30 percent of the total party members recruited during that period.

According to provincial statistics by the end of 1985, the number of party members accounted for 25.7 percent of the total number of intellectuals, including senior intellectuals among whom 50 percent are party members; and middle-ranking among who 45.7 percent are party members. The number of party members accounts for 16 percent of the total number of secondary and primary school teachers.

In the work of recruiting elite intellectuals to the party, the responsible comrades of all organization departments personally handled the work, and voluntarily made friends with intellectuals. They helped those people who recommended intellectuals for party membership to attend meetings to take the oath on being admitted to the party. Many comrades of the party committee's organization departments also conducted thorough investigations, publicized policies and gave instructions. Unit by unit, and issue by issue, they helped them solve problems in this respect.

In order to strengthen the education among intellectuals on being party members, the grass-roots party organizations conducted education among the intellectuals in connection with their characteristics, and helped them continue to make progress. Over the years, some 51 percent of intellectuals-party members recruited by the province were advanced and model people. Some 40 percent of them were appointed full members of leading groups at prefectural, city, county and township levels.

Now, most of the intellectuals who have long been following the party line, have long been wanting to become party members, and are qualified to be party members have been recruited by the party. Also, a large number of nonparty intellectuals are rallying round the party organizations. Over 174,000 comrades have submitted their applications for party membership. The party organizations at various localities have actively strengthened their work of cultivating and educating intellectuals, thereby laying a good foundation for doing well in recruiting elite intellectuals to the party.

HUNAN COMMENTATOR VIEWS SPIRITUAL CIVILIZATION

HK060859 Changsha Hunan Provincial Service in Mandarin 1100 GMT 5 Oct 86

[Station commentator's article: "Unswervingly Strengthen the Building of Spiritual Civilization"]

[Excerpts] On the eve of the national day, the 6th Plenary Session of the 12th CPC Central Committee adopted the resolution on the guiding principles on building socialist spiritual civilization. This resolution takes the Marxist basic theory as its base, and integrates with China's actual conditions. It further explains the strategic position, basic tasks, and primary guiding principles of the building of socialist spiritual civilization.

This will inevitably promote and ensure smooth progress in China's socialist modernizations. [passage omitted] All comrades in the party, as well as all people, of the province must unswervingly strengthen the building of spiritual civilization. First, we must thoroughly understand the strategic position of the building of socialist spiritual civilization.

We all know that a socialist society is marked by its characteristics. Our socialist spiritual civilization, which bases its guidance on Marxism, is one of the important characteristics. Our party has resolved that we must build socialism with Chinese characteristics. This includes the building of both material civilization and spiritual civilization. At the same time, during the whole socialist period, these two civilizations dovetail with and promote each other. [passage omitted]

The building of socialist spiritual civilization is by no means not indispensable, as some people believe. Rather, it is a major task that plays a significant role in the cause of socialism. Only when we understand the issue from this high plane of strategy can we become more enthusiastic, avoid acting blindly, and overcome one-sided thinking. Therefore, we shall score fruitful results as we did in the building of material civilization.

In order to really act unswervingly, we must thoroughly understand the urgency and long-term role of building socialist material civilization. Since the 3d Plenary Session of 11th CPC Central Committee, the CPC Central Committee has attached great importance to the building of spiritual civilization. [passage omitted] However, we must realize that in many areas, the building of spiritual civilization does not conform with our socialist modernizations or our practices of full-scale reforms and opening up. Time and again, such and such negative factors have taken place within the party and in society. We must promptly solve the issue or our progress in the course of socialism will be affected. Therefore, to really strengthen the building of spiritual civilization is our urgent task at present.

At the same time, in the course of building socialist spiritual civilization, we should realize that the task cannot be carried out once and for all. Rather, we must unswervingly and protractedly carry it out. Since socialist spiritual civilization is an important feature of socialist society, it is undoubtedly true that throughout the whole socialist period, we must not slacken out efforts in the task. [passage omitted]

Once the building of spiritual civilization is really done well, we shall satisfactorily fulfill the requirements and easily solve problems developed in the course of progress.

In order to unswervingly carry out the task, we mulolzolpresent conscientiously study the resolution, form a clear idea about its basic viewpoints, and thoroughly understanding the spirit of the resolution. In the past, when studying central documents, some units and comrades read without understanding them. [passage omitted] This is also a kind of formalism. In this study, we must act seriously and spend great efforts in understanding it. Only when we seriously study and really understand the essence and spirit of the resolution, can we avoid interferences and make progress in our building of spiritual civilization.

Our ancestors created our magnificent ancient civilization. Now, we should create socialist spiritual civilization, which is more developed and splendid. We deeply believe that so long as we unswervingly act in the spirit of the resolution, we shall attain this goal.

GUIZHOU ISSUES CIRCULAR ON CADRE RESETTLEMENT

HK091448 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 8 Oct 86

[Text] The provincial government recently issued a circular urging all localities to do a good job in resettling demobilized army cadres this year.

The circular points out that according to the needs in work and the requirements on selecting cadres, all units that need demobilized Army cadres must assign suitable jobs to them in the light of their posts in the Army. Meanwhile, in accordance with the needs of economic development, all relevant departments must train the demobilized Army cadres in various channels and forms so that they can fit themselves to the new jobs.

The circular also demands that all localities solve the problems of the demobilized army cadres in the schooling of their children and housing.

SICHUAN LEADERS ATTEND NATIONAL DAY CELEBRATIONS

HK020139 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 1 Oct 86

[Excerpts] Chengdu City staged grand garden parties to celebrate National Day on 1 October. [passage omitted] These functions were attended by responsible comrades of the provincial party committee, Chengdu Military Region, the provincial Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPPCC including Nie Ronggui, Jiang Minkuan, Fu Quanyou, Wan Haifeng, He Haoju, and Cao Qingze. [passage omitted]

Governor Jiang Minkuan, who has just returned from Beijing after attending the 6th Plenary Session of the 12th CPC Central Committee, happily told everyone: The session's resolution on the guidelines for building socialist spiritual civilization is an extremely good resolution, which is bound to have a major and far-reaching impact on the building of socialist spiritual civilization in China. The people of Sichuan must study this resolution well, profoundly appreciate it, implement it with practical action, and turn it into a tremendous spiritual and material force so as to build Sichuan still faster and better. [passage omitted]

HU YAOBANG EXPRESSES CONFIDENCE IN REUNIFICATION

OW091657 Beijing XINHUA in English 1647 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Communist Party General Secretary Hu Yaobang today expressed confidence in the reunification of China.

"In our efforts for China's reunification," Hu said, "we look forward to the participation of the Taiwan authorities as the main partner in peaceful negoatiations, but we would also value the efforts by other patriotic forces and the Taiwan people."

"After Taiwan's return to the motherland," he said, "we'd take into consideration the interests of the people -- from the Taiwan authorities who have contributed to the reunification, as well as the interests of the other patriotic forces and the people."

The general secretary made these remarks at a meeting with Huang Shungxin, 63, formerly Taiwan's legislator, and 45-year-old Zhang Chunnan, former assemblyman of Taiwan, both of whom have settled down in Beijing.

Since 1979, Hu said, over 1,000 Taiwanese have come to live in Beijing, plus their family members and relatives.

Hu called his guests "noted patriots" and solicited the opinions and suggestions on China's reunification and the mainland's construction.

Huang said the patriots in Taiwan from various walks of life look fervently toward the reunification of the country.

Huang, who is now advisor to China's Academy of Agricultural Sciences, made suggestions on the popularization of agrotechnology and environmental protection.

Zhang Chunnan said he is glad to see Chinese people living a happy life as never before in the country's history. However, he said, CHina is still backward in comparison with advanced countries.

Hu said much remains for China to do. China's economy is recovering at a high speed and it is enjoying political unity and stability. However, he added, the people's income is still low and there remain many difficulties. Conscientious work is necessary to overcome them.

"But from a long-term point of view we have confidence in the future of our country," the general secretary said.

ULANHU URGES REUNIFICATION OF MOTHERLAND

OW091619 Beijing XINHUA in English 1559 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Vice-President Ulanhu expressed the hope here today that the Taiwan authorities, while commemorating the achievements of Dr. Sun Yat-sen, would make a careful study of the "one nation and two systems" proposal for the reunification of the motherland advanced by the Chinese Communist Party.

He said, "The growing prosperity of the country demands reunification. The aspirations of the Chinese nation ask for reunification. The people of the world hope for such reunification."

He added that it was human factors that were separating the Chinese mainland and Taiwan.

Ulanhu was speaking at a meeting sponsored by the National Committee of the Chinese People's Political Consultative Conference (CPPCC) to commemorate the 75th anniversary of the 1911 Revolution which overthrew China's last feudal dynasty and the achievements of Dr. Sun Yat-sen.

He said that the revolution was an important milestone in modern Chinese history, marking a new era in the Chinese People's revolutionary struggle against imperialism and feudalism.

He noted that the 1911 Revolution led by Dr. Sun Yat-sen was a bourgeois democratic revolution which overthrew the rule of the Qing dynasty (1644-1911) and ended 2,000 years of feudalism.

He spoke highly of Dr. Sun Yat-sen, calling him a great patriot and a great forerunner of the Chinese democratic revolution. "His dauntless spirit in fighting for the prosperity of the nation always has our respect," Ulanhu added.

His three people's principles (nationalism, democracy and the people's livelihood), Ulanhu noted, were a complete guideline for bourgeois revolutionaries, and his three major policies (alliance with Russia, alliance with the Communist Party and help Korean workers and peasants) promoted the Chinese people's revolution.

The vice-president said that the Chinese Communist Party inherited the aspirations of Dr. Sun Yat-sen and led the Chinese people to accomplish his unfinished cause.

Other speakers at the meeting included Zhu Xuefan, vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, and Cheng Siyuan, a noted non-party patriot. They hoped that the Taiwan authorities would abide by Dr. Sun Yat-sen's will to realize national reunification for the happiness of the whole people, have a good understanding of Dr. Sun Yat-sen's purpose in leading the northern expedition, accept the proposal of the Communist Party, enter into the third period of cooperation between the Communist Party and the Kuomintang and accomplish the reunification of the motherland.

Hu Ziang, vice-chairman of the National Committee of the CPPCC, proposed at the meeting that people on both sides of the Taiwan Straits first start postal and communications links and carry out business, later moving toward friendly cooperation in other fields.

Speaking at the meeting were also leading figures of the All-China Federation of Returned Overseas Chinese, the Association of Taiwan Compatriots and the Society of Graduates of the Whampoa Military Academy. They called for carrying forward Dr. Sun Yat-sen's aspirations and giving full play to patriotism to work for the early realization of reunification.

Shangguan Wuchen, 94, a member of Dr. Sun Yat-sen's revolutionary league, recalled his experiences in the 1911 Revolution. He was happy to note that the will of Dr. Sun Yat-sen and the other 1911 revolutionaries to see a unified and strong nation is being realized. He hoped that the would be able to see for himself the peaceful reunificiation of the motherland.

The meeting was chaired by Cheng Zihua, vice-chairman of the CPPCC National Committee. Among the 200 people present at the meeting were Xi Zhongxun, member of the Political Bureau of the Communist Party Central Committee, and Song Renqiong, vice-chairman of the Communist Party Central Advisory Commission.

PRC-TAIWAN CONTACTS DURING ASIAN GAMES VIEWED

HK080957 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1017 GMT 7 Oct 86

[Report: "A Gratifying Breakthrough Outside the Sports Grounds"]

[Text] Hong Kong, 7 Oct (ZHONGGUO TONGXUN SHE) -- The Asian Games, which lasted 16 days, have already ended. The athletics team of the mainland has again ascended the throne of champion with its 94 gold medals. The descendants of the Emperor Yan and Emperor Huang inside and outside China feel excited and proud. Another breakthrough outside the sports grounds of the Asian Games -- the direct contact between the relevant personages from the both sides of the strait, is more gratifying and encouraging.

On 25 September, the Council of the Asian Olympic Committee unanimously adopted a resolution on permitting Taiwan to take part in the organization again in the name of "China -- Taipei." After the resolution was passed, Tu Mingde, representative of Mainland China to the Olympic Committee extended his hand immediately to Chang Pi-te, Taiwan's representative to the organization, to express his congratulations. Without any hesitation, Chang also extended his hand. Representatives from the two sides of the strait shook each other's hands firmly, and talked cordially. The sight was moving.

On 2 October, CHOSON ILBO, the largest newspaper in South Korea, invited reporters from the two sides of the strait to exchange views on the issue of the Asian Games. Wang Xunsheng, head of the reporters' group sent by the mainland's official XINHUA NEWS AGENCY to Seoul to cover the Asian Games, and Chang Sheng-chao, special correspondent sent by the Taiwan officials CENTRAL NEWS AGENCY, attended the discussion together. At the 2-hour meeting, the two official reporters expressed their views not only on the Asian Games, but also on sports exchanges between the two sides of the strait. It was reported that when a South Korean reporter asked the Taiwan reporter: "When you knew that the mainland team had won the largest number of gold medals, what did you think of it?" He answered straightforwardly: "This shows that the Chinese nation is excellent!"

With the development of the situation, athletes from the two sides of the strait compete with each other in the same sports grounds. They shake hands and talk with other. Such a scene is frequently seen in recent years. However, the official representatives of the two sides shaking hands and talking with each other about matters of interest to both sides, and reporters from the mainland and Taiwan participating in the same discussion was something happening for the first time for the past 37 years. This could not but be regarded as a breakthrough in the present Asian Games.

In 1984, Taiwan scholars put forward for the first time the idea of "separating politics from academic learning" at a "meeting on the national fate." Over the past 2 years, various quarters in Taiwan have successively put forward demands for "separating politics from economy," "separating politics and sports," and "separating politics from family visits." Numerous complicated things have happened in this large world.

Experience has shown that if everything is stained with a political coloring, it is difficult to handle matters occurring at home and abroad. Conversely, if we "separate politics from business," all problems can be readily solved, including very sensitive ones. The China Air Lines incident is an example. Taiwan's re-entering the Asian Olympics Committee is another.

It is the common desire of the people of the two sides of the strait to speed up their nongovernmental contacts without political interference. At present, the contacts between the two sides have increased. What people earnestly look for is acceleration of these contacts by developing more channels and layers. The breakthrough outside the sports ground of the Asian Games has enlightened and encouraged people.

HONG KONG

HONG KONG NPC DELEGATES FEEL 'SIDESTEPPED' ON FECS

HK080249 Hong Kong SOUTH CHINA MORNING POST in English 8 Oct 86 p 31

[By Chris Yeung]

[Text] Confusion over the abolition of China's Foreign Exchange Certificates [FECs] has triggered anger among Hong Kong delegates of the National People's Congress, who say they have been left in the dark.

Local members are particular disappointed that the law-making body has been sidestepped by the country's state Council in deciding the fate of the second currency, according to a local delegate, Mr Ng Hong-mun.

Vice-Preimer Mr Yao Yilin revealed in April that China was to abolish FECs to help the country's external trade and promote tourism.

It was revealed in July by a senior official of the Bank of China that the abolition was likely to take place before the end of the year.

The official LIBERATION DAILY, however, carried a report early last month that FECs would not be issued after October 1 and would no longer be valid currency after the end of next month.

The report was quickly denied by an official from the Bank of China, [BOC] who said the date was postponed because of a delay in preparation work.

China's Central Bank chief, Miss Chen Muhua, told a celebration on the eve of the 37th Anniversary of the National Day no decision had been made on when FECs would be abolished, or what would replace them.

On Saturday, Shenzhen Vice-Mayor Mr Zhou Xiwu told reporters that Beijing had yet to work out substitutes for FEC's after they were abolished.

The latest report on the abolition came from a BOC official at the opening of the Stock Exchange of Hong Kong on Monday.

Mr Ng said: "It's a total mess.

"The matter should be vested with the central Government."

He said the local delegates had spoken against the introduction of FECs in 1980, when the go-ahead was announced.

He said: "We were asked to give our views on the new currency... but we were totally in the dark when Vice-Premier Yao Yilin announced the abolition in April.

"The NPC, being a lawmaking body, should be fully consulted on such an important issue."

Mr Ng said foreign traders and residents in the SEZs had already had their suspicions over the abolition, fearing they might suffer heavy losses if no satisfactory substitutes were devised.

The local delegates have proposed that the NPC's Standing Committee channel their views to the central Government to "fully consult the public's opinions and take cautious steps" before abolishing the six-year-old currency, he said.

UMELCO 'BRIEF' CRITICIZED AS IRRESPONSIBLE

HK060611 Hong Kong HONGKONG STANDARD in English 6 Oct 86 p 1

[by Jessie Yim]

[Text] A restricted Umelco "brief" for the Legislative Council delegation that went to Beijing last month shows there was wide-spread public discontent with the council's nuclear power fact-finding report.

The fact-finding report was accepted by both Beijing and by many councilors, despite the severe denunciations the report received from the public.

The Umelco brief, a copy of which has been obtained by THE STANDARD, contains letters and comments directed to the Legco fact-finding delegations that visited nuclear installations in America, Europe, and Japan.

It was these two delegations that prepared the report taken to Beijing.

Some of these comments, in rather emotional tones, denounced the report as irresponsible and ignored the worries of the public. They indicated the two fact-finding delegations had done a disservice to the public.

Veteran Executive Council and Legislative Council members, Miss Maria Tam and Mr Allen Lee, who led the fact-finding delegations, were jointly denounced in one letter, and Miss Tam was singled out for personal criticism in another.

The fact-finding report taken to Beijing by the 11 member Legco delegation contained 30 "observations" intended as major points for discussion concerning safety measures of the Daya Bay nuclear plant.

More than 8,000 copies of the report were distributed in Hong Kong first. A total of 31 representatives -- letters, comments and other forms of reaction -- were received by the Umelco Office before September 16, less than 20 days after the report was released.

Apart from reactions from political groups and district board members, nearly half of those sent in were written by individuals or resident groups.

Of all the representations, roughly two-thirds contained adverse comment. Many of them contained detailed arguments.

One was writted by the Institution of Fire Engineers, a professional group including the Government's fire engineering experts.

The letter said the report "lacks consideration on certain aspects such as preplanning on fire-fighting operation, training to onsite staff and liason with local fire authorities."

The institution is an organisation dedicated to promote and improve "the science and practice of fire extinction, prevention and engineering."

However it also noted that "the importance of safety and emergency planning in the operation of generation plants has been recognised."

As for the reactions supporting the report, only three contained details illustrating the reasons.

Of the three, two were written by the Hong Kong Civic Association and the pro-China Hong Kong Federation of Trade Unions.

On the opposition, three political groups submitted representation, namely the Joint Conference for the Shelving of the Daya Bay Nuclear Plant, the Hong Kong Affairs Society and the organisation, Meeting Point. The Tsuen Wan District board was the only DB to submit a position paper.

In a highly emotional letter from what claimed to be a group of technicians, Miss Maria Tam and Mr Allen Lee were condemned for ignoring the concerns of the public. The letter said both of them "were once our idols, especially when Hong Kong was in a crisis over the future, but when the report was released, all were disillusioned."

Signatories of another said they felt Miss Tam and the Legco group she leads are "irresponsible and therefore will not be trusted any more.

The letter expressed extreme disappointment with the report, saying that the fact-finding delegations were over-presumptive that China would build the Daya Bay plant regardless of opposition.

DAYA BAY DEMONSTRATORS REFUTE 'FAILURE' CLAIMS

HK060541 Hong Kong HONGKONG STANDARD in English 6 Oct 86 p 1

[Text] Clapping, singing, raising fists and chanting slogans, some 1,000 people yesterday attended an anti-Daya Bay rally at Morse Park, which the organisers said marked the beginning of the second phase of the local anti-nuclear movement.

Though the turnout was only one third of what the organisers expected, the participants appeared to be so committed to their cause that the chairman of the rally, the Rev Fung Chi-wood, called the gathering "successful and encouraging."

Among those who attended the two-hour gathering were students, church leaders, district board members, political group activists as well as member of the public.

"More that half of the participants have not been involved in the campaign before," the Rev Fung said.

Councillor Szeto Wah told the crowd that the anti-Daya Bay campaign has now embarked on the course of a "persistent battle."

"Some people have accused our movement of failure. If the Daya Bay nuclear station can operate safely till the day it is decommissioned, I will be more than willing to admit that our campaign was failed.

"But history tells us, there has been no such happy failure before. We have just marched into a state of persistence. Some may be too frightened to carry on and some may even defect to the other camp in the course of our campaign, but I am sure that many more will join us in upholding the flag of justice," said Mr Szeto.

He also denied a press report that his 30,000 member Professional Teachers Union will gradually "fade out" from the movement.

"Our union will strive shoulder to shoulder with the majority of the people of Hong Kong, and let history be our witness. Let us be prepared for this prolonged battle and let those nonsense makers continue with their nonsense," pledged Mr Szeto.

Another speaker, Dr Kwok Siu-tong, showed his colours as a university lecturer in history when he pointed to the crowd that the present government was less responsive to public demands than the one 15 years ago.

"In 1971, Dr Denny Huang brought a 300,000 signature petition to Britain to press for the recognition of Chinese as an official language. A special official committee was then set up to look into the issue, and the status of the Chinese language was subsequently recognised as equal to that of the English language.

Ten other speakers at the rally also raised similar criticism of the authorities.

MACAO

GOVERNOR SAYS 1997 RETURN TO PRC 'IMPOSSIBLE'

HK100732 Hong Kong AFP in English 0726 GMT 10 Oct 86

[Text] Macao, 10 Oct (AFP) -- The date for Hong Kong's return to China, 1997, could not be the same for this Chinese territory under Portuguese administration, the Governor of Macao, Pinto Machado, said in a radio broadcast here Friday.

Mr Machado was speaking on his arrival in Lisbon for an official visit to Portugal.

"It is completely impossible to coincide the date when Macao will return to China with the one chosen for Hong Kong," the governor said in a statement broadcast by Radio Macao. "Macao does not have the dimension and development of Hong Kong."

"It will be a problem much more complex," he said.

The third round of talks between Portugal and China will take place in Beijing on October 21 and 22.

OFFICIAL ON SOARES VISIT, AIRPORT PROPOSAL

HK100621 Hong Kong SOUTH CHINA MORNING POST in English 10 Oct 86 p 4

[By SOUTH CHINA MORNING POST correspondent]

[Text] Macao -- Portuguese Presidenut Dr Mario Soares may visit Macao next year, Mr Carlos Monjardino, the Under-Secretary for Economy, Finance and Tourism said yesterday on his return from an official visit to Lisbon.

Mr Monjardino said the Macao government would extend an official invitation to the President next year.

If Dr Soares accepts, he will be only the second Portuguese president to visit Macao.

Former President Dr Antonio Ramalho Eanes visited the territory in May last year after a state visit to China.

During his stay in Lisbon, Mr Monjardino met Dr Soares to discuss Macao affairs.

Speaking on Zhukai's recent revelation that it intends to build an international airport, Mr Monjardino said the conditions in Macao were better suited to such a venture.

He said the territory's Government had informed the Zhuhai authorities about its intentions to build an international airport in Macao, but so far no reaction had been forthcoming.

Another Macao cabinet member, Under-Secretary for social Constructions Mr Carvalho Dias, said yesterday that so far two international consortiums, one from West Germany and one from the United States, had submitted their proposals to the Macao Government concerning the construction of the territory's international airport.

Mr Dias said that since the construction of an airport was a massive project, involving large sums of money and up-to-the-minute technical know-how, the Government would study the projects and proposals carefully before making any decisions.

The American bidder, Tams (Tippetts-Abbett-McCarthy-Stratton), submitted its plan to the Macao Government last week.

A West German firm, Fag, (Frankfurt Flughafen Gruppe Gmbh, which in English means Frankfurt Airport Group), was awarded the six-million-pataca (about HK$5.8 million) contract in 1984 to carry out a feasibility study on the construction of the proposed airport.

It submitted its proposals last week.

Meanwhile, Legislative Assembly President Dr Carlos Assumpcao said he hoped the date on which Macao would be returned to China's jurisdiction would be "flexible".

Dr Assumpcao said on Wednesday night that Macao's situation was different to that of Hong Kong since Macao had no fixed time limit for its return to the mainland, while Hong Kong had 1997.

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REPORTAGE ON U.S.-USSR. REYKJAVIK MEETING

'Search for Compromise'

OW101656 Beijing XINHUA in English 1639 GMT 10 Oct 86

["New analysis: Reykjavik Summit -- A Difficult Search for Compromise (by XINHUA correspondents)" -- XINHUA headline]

[Text] Beijing, October 10 (XINHUA) -- U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev will meet this weekend in Reykjavik, Iceland, for a working summit in search for disarmament compromises.

The Iceland summit will precede a full-scale summit that is planned to take place in Washington later this year as was agreed at the Geneva summit last November.

Gorbachev set an agreement on arms control as a pre-condition for his visit to Washington. He wants to use the U.S. -Soviet summit to temporarily slow down the arms race to allow more time and money for his economic reform program.

The U.S.-Soviet summit will help Reagan handle the mounting domestic pressure to cut the huge military expenditure in order to spur the sluggish growth of the economy.

Despite frequent exchanges of disarmament proposals between the two countries since the beginning of this year and a certain progress in Geneva arms control talks, serious differences hang on almost every issue of major disarmament.

This prompted Gorbachev to propose this pre-summit meeting, scheduled on Sunday and Monday, in Iceland's capital so that he could learn Reagan's position and make sure he will not come to Washington empty-handed. Reagan accepted the proposal also eager to see the summit materialize, moreover with an eye on the forthcoming November congressional election.

The Soviets have made it clear that during the Reykjavik talks the priority should be a ban on nuclear testing. They urge the Americans to follow suit in keeping a nuclear test moratorium. The Reagan administration has repeatedly rejected the Soviet appeal on the ground that the Soviet nuclear test moratorium is unverifiable. Reagan's administration also said the United States needs continued nuclear testing to ensure the effectiveneses of its nuclear deterrent. So far, there is no sign that the two sides can compromise on this issue.

Reagan and Gorbachev will also discuss space defence systems and strategic weapons, on which the two sides are also far apart.

Reagan earlier proposed that the two countries may pursue research and test the space defence system and postpone the deployment of space systems 7 and a half years, which is short of the Soviet proposal to limit deployment by 15 to 20 years.

U.S. officials said Reagan would stand firm on his space defence initiative, [as received] commonly known as "star wars" program, and he has rejected the State Department's advice to compromise with the Soviet Union over postponement of the space defence system.

On strategic weapons, although both sides seemed near an agreement on a warhead limit that each can keep, they still differ on which weapons are strategic and what strategic weapons should be slashed. Gorbachev has never abandoned his insistence that the strategic weaspons cut be linked with agreement on space defence systems.

Only the intermediate nuclear forces, or the U.S. Pershing and cruise missiles and the Soviet SS-20's seem to be the most promising bargaining chip at the pre-summit meeting. The two superpowers have backed off from their previous stands: The United States has abandoned the "zero option" and agreed that each side can keep 100 intermediate nuclear forces (INF) warheads in Europe while the Soviet Union no longer insists on linking INF cuts with those of Britain and France.

But before the INF agreement can be concluded, both sides must compromise on how many INF missiles the Soviet Union can keep in its Asian territory and how to verify the proposed cuts.

Apart from the arms control, Reagan will discuss Afghanistan and other regional conficits in the summit at Reykjavik. Some less essential arms control issues, such as conventional and chemical weapons control, will also be discussed at the summit.

Since the United States and Soviet Union still have hurdles to cross in almost every area, Reagan and other U.S. officials have already cautioned against initiating an arms agreement in the Reykjavik talks. Reykjavik is merely a preparatory meeting for a later summit.

Nevertheless, after Reagan and Gorbachev review their respective stands, they may instruct their subordinates to prepare disrmament agreements -- agreements which may not bear much consequence on the core of their nuclear arsenals -- so that the Washington summit will proceed as it was scheduled.

Reagan Will Not Abandon SDI

OW130042 Beijing XINHUA in English 0031 GMT 13 Oct 86

[Text] Reykjavik, October 12 (XINHUA) -- U.S. President Ronald Reagan said today that he "could not and will not" abandon his Strategic Defense Initiative (SDI) program for reaching an agreement on arms control with the Soviet Union.

In a speech before the American community at the U.S. Air Force Base at Keflavik, Iceland shortly after concluding his two days of intense talks with Soviet leader Mikhail Gorbachev, Reagan said the talks produced "more progress" than anticipated on several critical issues, including reduction of the numbers of intermediate-range missiles and strategic offensive missiles of both countries.

But, he said, an agreement was balked of at the end of the talks by disagreements over the U.S. SDI program, commonly known as "star wars."

He said he made a "a entirely new proposal" to the Soviet leader: A ten-year delay in deployment of SDI in exchange for complete elimination of all ballistic missiles of both nations.

"So long as both the United States and the Soviet Union prove their good faith by destroying nuclear missiles, year by year, we would not deploy SDI," he said.

But, he said Gorbachev insisted that the United States restrict all work on SDI on laboratory research "which would kill our defense shield."

"This we could not and will not do," he declared.

However, he said, he and Gorbachev had made great strides in resolving "most of our differences" and will continue the effort in the future.

Reagan left Iceland for home after the speech.

Shultz Says U.S. Disappointed

OW130116 Beijing XINHUA in English 0035 GMT 13 Oct 86

[Text] Reykjavik, October 12 (XINHUA) -- U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev were close at the end of their two-day summit talks to "extremely important potential agreements" to reduce strategic nuclear weapons stockpiles by half and dealing "effectively" with intermediate-range weapons in Europe, but were blocked by disagreements over Reagan's Strategic Defense Initiative (SDI).

This was disclosed by U.S. Secretary of State George Shultz at a news conference held here this evening after a nearly four-hour fourth session this afternoon between Reagan and Gorbachev.

Shultz told reporters the United States is "deeply disappointed" by the lack of results in the two-day "intensive" talks.

Reagan and Gorbachev held four rounds of talks in the Icelandic capital, the fourth round was additional.

Shultz said the Soviet Union's objective was to kill off the SDI program, popularly known as "star wars."

He said Reagan worked hard to achieve some "sweeping and substantial and important" agreements but he failed in his efforts at the end of the Iceland summit because of the Soviet intention on SDI.

In seeking to deal with these issues, Shultz said, Reagan "was ready to agree to a 10-year period of non-withdrawal from the ABM (Anti-Ballistic Missile) treaty, a period during which the United States would do research, development and testing, which is permitted by the ABM Treaty, and of course, after which, we would be permitted to deploy if we chose."

Shultz said Reagan "simply had to refuse to compromise the security" of the United States and its allies "by abandoning the shield that is held in front of freedom. So in the end we are deeply disappointed at this outcome."

According to Shultz, the two sides also failed to reach a date for the next summit agreed to be held in Washington at the Geneva summit last November.

Shultz said the two sides will continue to talk on these problems in Geneva. The U.S. Secretary of State will fly to Brussels to brief the U.S. NATO allies on the outcome of the Reagan-Gorbachev talks.

Gorbachev Says 'No Headway'

OW130300 Beijing XINHUA in English 0239 GMT 13 Oct 86

[Text] Reykjavik, October 12 (XINHUA) -- Soviet leader Mikhail Gorbachev indicated here today that the Soviet-U.S. summit meeting made no headway because of the widely different views on nuclear and space weapons between the two sides.

Speaking at a press conference at the end of the meeting, Gorbachev said that he and President Ronald Reagan had failed to reach identity of views on the U.S. Strategic Defense Initiative.

He declared that the Soviet Union had put forward a whole package of major proposals at the meeting, including those for cutting the strategic weapons (land-based, submarine-launched and strategic bomber-carried missiles) of each side by at least 50 percent and eliminating the rest by the turn of the century.

He said the proposals also included the destruction of all medium-range missiles deployed in Europe by the two sides, excluding the British and French nuclear forces, freezing Soviet missiles, whose range is within 1,000 kilometers, in Asia.

He said his country favored tripartite supervision of the eliminatior of nuclear weapons so that neither side could secure military advantage over the other.

The Soviet Union proposed that neither side could withdraw from the ABM treaty within 10 years, during which time the research and testing of space weapons should be carried out only in laboratories, but the U.S. side insisted on the right of testing such weapons in space until last minute. Gorbachev said that an agreement on strategic weapons and medium-range missiles reached at the meeting was buried because the United States tried to get military advantage through its Strategic Defense Initiative.

The Soviet Union had made a great concession at the meeting, Gorbachev said, but the United States had come with "an empty hand." After the meeting, he added, he would offer to U.S. President Reagan the proposal that the two sides negotiate on the prohibition of nuclear testing immediately. He held that the Soviet and U.S. leaders should meet again to discuss how to remove the existing obstacles.

XINHUA Analyzes Outcome

OW130922 Beijing XINHUA in English 0840 GMT 13 Oct 86

["News analysis: An Arduous Dialogue by correspondent Shi Lujia" -- XINHUA headline]

[Text] Washington, October 12 (XINHUA) -- The two-day summit between President Ronald Reagan and Soviet leader Mikhail Gorbachev ended in Reykjavic, Iceland, today with no specific agreement finalized and no exact date fixed for a full-scale summit, due to be held in Washington by the end of this year.

Both sides felt disappointed at the outcome of the hurriedly-arranged meeting and blamed each other for the failure.

According to Gorbachev and U.S. Secretary of State George Shultz, during four rounds of talks at the two-day meeting, both sides were considerably close in their stands on reducing intermediate-range missiles in Europe and Asia and on strategic offensive arms. They also made some progress on the question of nuclear testing.

But in their discussion on the U.S. Strategic Defense Initiative (SDI) known as the "star wars" program, the two sides took opposing stands and no one would give up its own position. As a result, the two-day meeting broke down.

The United States and the Soviet Union have differed over the "star wars" program for a long time. Since President Reagan put forth the program, Moscow has repeatedly accused Washington of violating the 1972 Anti-Ballistic Missile Treaty and seeking military superiority.

During their talks, the Soviets used a tougher strategy. They linked not only the strategic weapon reduction but also the intermediate-range missile issue to the "star wars" program. Reagan had proposed a delay in SDI deployment for 10 years, in exchange for the total elimination of U.S. and Soviet ballistic missiles, but Gorbachev insisted that "star wars" should only be tested in laboratories. As Shultz stated, the United States rejected the Soviet demand because it would "kill off" the program.

Why are the two superpowers so serious about the "star wars" program? It is because that the nuclear weapons in the United States and the Soviet Union are in a saturated point, and the relative strategic balance in existence between the two countries since the 70's could hardly be upset even with improvement in the quality and quantity of their strategic arms. Whoever masters defense weaponry in space could gain first-strike capability.

Of course, the dispute over the "star wars" program between Washington and Moscow is only a reflection of the confrontation between the two superpowers in the current situation. It was also reported that both sides made no significant progress on other global and regional issues.

Observers here noted that the summit between the United States and the Soviet Union in Iceland showed once again that the two superpowers hope to continue their dialogue and relax their tense relations, but their dialogue is an arduous road, a road full of twists and turns.

SDI 'Sticking Point'

OW131252 Beijing XINHUA In English 1234 GMT 13 Oct 86

["News Feature: An Unfinished Game by Xiong Changyi" -- XINHUA headline]

[Text] Beijing, October 13 (XINHUA) -- Fourteen years ago, Bobby Fisher of the United States and Boris Spassky of the Soviet Union fought out their gruelling East-West chess championship in Reykjavik, the quiet capital of Iceland.

Fourteen year later, the leaders of the two superpowers sat face-to-face in the same city during the past two days to play another game, hoping to pave the way to a full-scale summit and reach the first disarmament accord that would actually cut nuclear arsenals, rather than simply limit deployment plans.

Now, after four rounds of talks over two days, U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev have not agreed on arms control, nor was a firm date set for a full-scale summit.

Reagan, speaking to U.S. servicemen near Reykjavik, said he made the Soviet leader a historic offer on arms control which Gorbachev rejected.

Gorbachev, addressing a news conference in the Icelandic capital, said the U.S. leader had come to the meeting with empty hands and the talks had collapsed.

"This has been a failure, and a failure when we were very close to a historic agreement," the Soviet leader added.

Reports say the summit failed because of a dispute over Reagan's Strategic Defense Initiative (SDI), otherwise known as the "star wars" program, a U.S. plan to build a space-based anti-missile shield.

Gorbachev proposed "strengthening" the 1972 Anti-Ballistic Missile Treaty over a 10-year period and had accepted U.S. "laboratory testing" for the star wars program.

But Reagan insisted on carrying out tests not only in the laboratory but also in space.

For the superpowers, SDI has become a sticking point.

The United States says it merely seeks a shield from nuclear missiles, but the Soviets say the U.S. could launch a nuclear first-strike from behind such a barrier.

Another reason for the failure is that the summit meeting was hurriedly arranged and the two leaders went to the meeting with domestic political purposes in mind.

Reagan felt a successful presummit summit would allow him to be perceived as a president who put superpower relations back on track, and thus boost his efforts to help Republican campaigns for November's midterm elections in the United States.

As for Gorbachev's, he seemed to be eeking an agreement on controlling the costly arms race, thereby allowing the Soviet Union to devote more attention to domestic econmic development, and also easing overall tensions.

However, as the summit broke up last night, both Gorbachev and U.S. Secretary of State George Shultz said it was not the end of the road.

"We'll return to Geneva and I suppose they will," Shultz said, while Gorbachev indicated that "this meeting has brought us to the point where accords are possible."

It seems that the game played by the two superpowers has not finished. It remains a tough game.

XINHUA Cites TASS Commentary

OW140204 Beijing XINHUA in English 0141 GMT 14 Oct 86

[Text] Moscow, October 13 (XINHUA) -- Soviet leader Mikhail Gorbachev returned to Moscow Monday evening from the Reykjavik summit after he failed to reach agreement on radical arms reductions with U.S. President Ronald Reagan, Soviet news agency TASS reported.

In a commentary, written by its military commentator Vladimir Chernyshev, earlier today, TASS said the working summit "threw unusually bright light on the tenacious imperial ambitions of the U.S. ruling circles."

"Hope turned into disappointment," Cherynshev said, adding that the two sides "could have reached a wide-ranging agreement on the reduction and destruction of nuclear weapons, but they failed to do so."

He blamed Washington for the failure of the summit and accused the Americans of pursuing the Strategic Defense Initiative (SDI), also known as the "star wars" program, without "constraints or a sense of reality."

The Reagan administration "wants a completely free hand to make preparations for the militarization of space, and it does not want to think what political risks this policy is fraught with," the commentary said.

"The specter of a chase or military superiority through 'technological edge' was looming large over the meeting," Chernyshev wrote.

"Washington's 'space rush' called to mind the age of the 'gold rush,' when there were no constraints or sense of reality," he said.

Chernyshev gave four reasons why Moscow opposes the star war project:

First, the project would cause "uncertainties" in strategic balance.

Second, an anti-missile shield would help improve the efficiency of the first-strike potential, thus making impossible cuts in long-range strategic weapons.

Third, it would lead to a qualitatively new arms race.

Fourth, it "would lead to the dramatic aggravation of the accidential outbreak of war as a consequence of an error, miscalculation or technical malfunction in sophisticated computer systems."

He continued that Reasan has insisted that SDI is intended to develop defensive, not offensive, weapons. Reagan's commitment to SDI proved to be a stumbling block at the summit after Gorbachev made what he described as "very major concessions" on arms reductions and softened his stance on a Soviet call for a treaty ban on nuclear testing, he wrote.

The Soviet commentary, believed to be the first Soviet reaction to the U.S.-Soviet Iceland summit, came at a time when the world is paying close attention to what actions the two superpowers will take after failure to reach agreement.

It was disclosed that Warsaw Pact foreign ministers will meet in Romania tomorrow to discuss the summit. Soviet Foreign Minister Eduard Shevardnadze will arrive in Bucharest tonight.

The Warsaw Pact meeting is expected to make ascessment of the meeting and express support for the Soviet stance adopted in the Iceland talks.

RENMIN RIBAO on 'Failure'

OW140718 Beijing XINHUA in English 0700 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- The failure of the Soviet-U.S. Reykjavik summit proves that peace-loving peoples should depend on their own efforts rather than pin their hope for world peace on the two superpwoers, the PEOPLE'S DAILY said today.

The Reykjavik meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan ended with no agreement on disarmament or a date for their second summit, the Chinese Communist Party daily said in an article.

The paper said the result of the Reykjavik meeting did not go beyond people's expectation since they know that the two superpowers differ sharply in basic interests and both Reagan and Gorbachev are under pressure which prevent them from making big concessions to each other.

As a result, the Reykjavik meeting actually became one for the two to feel out each other, the paper said.

However, the paper noted, the failure of the Reykjavik meeting did not indicate that it would be followed by the worsening of relations between Moscow and Washington. But the Soviet Union and the United States need an easing of their relations, even if it is temporary and on a limited scale, the paper said.

The paper pointed out that since the two sides seek detente for different purposes, it will not be accomplished easily. It will be a complicated process, full of twists and turns.

The setback at Reykjavik does not mean that leaders of the two superpowers will not meet again. They will look for chances to continue their dialogue, the PEOPLE'S DAILY noted.

TA KUNG PAO ON WEINBERGER'S VISIT TO CHINA

HK101512 Hong Kong TA KUNG PAO in Chinese 10 Oct 86 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Weinberger Visits China To Discuss the Export of Military Technology to China"]

[Text] His Visit Receives Much Attention in Bejing [subhead]

U.S. Defense Secretary Caspar Weinberger arrived in Beijing on 7 October and met with Central Military Commission Vice Chairman Yang Shangkun and Chief of Staff Yang Dezhi. The day before yesterday he held official talks with Defense Minister Zhang Aiping. Yesterday Wu Xueqian, Deng Xiaoping, and Zhao Ziyang also met him on separate occasions. His meeting with Central Military Commission Chairman Deng Xiaoping, in particular, has made people feel the full importance Beijing attaches to Weinberger's visit. Although their meeting lasted only 20-odd minutes, both sides discussed bilateral relations. Deng Xiaoping said that the development of Sino-U.S. relations is good as a whole. He called Weinberger an enthusiast about developing Sino-U.S. relations, particularly Sino-U.S. military relations, and an old friend of China. Weinberger said that he completely agreed with Deng Xiaoping's view. His talks with Zhang Aiping went smoothly. This shows that there are good prospects for developing friendly relations between the Chinese and U.S. armed forces.

Safeguarding Stability in the Pacific [subhead]

Weinberger talked about the purpose of this current visit to China. As members of the Pacific region, the United States and China have a common desire to safeguard peace and stability in the region. He hoped that both sides will continue holding friendly dialogues to this end.

As far as China is concerned, in order to realize the four modernizations at an early date, China resolutely wants to safeguard peace and stability in the Pacific region. In Asia, however, the flames of war have been raging in Afghanistan and Cambodia for several years. There have been no signs of peace so far. The fundamental reason is that the Soviet Union still refuese to withdraw its troops from Afghanistan and continues to support Vietnam in ruling the whole of Indochina and threating ASEAN countries. Moreover, taking Cam Ranh Bay as a base, the Soviet Union is constantly expanding its influence in Southeast Asia and the South Pacific. After taking office, Mikhail Gorbachev claimed that he wanted to improve political relations between the Soviet Union and China. China has reacted correspondingly to his proposal. However, there are still no signs of removing the "three major obstacles" that exist. Beijing is still waiting for Moscow to adopt concrete and effective measures. At the same time, it is also constantly improving bilateral economic, trade, and cultural relations.

Achieving Military Modernization [subhead]

In addition to the common objective of safeguarding stability in the Pacific region, by developing Sino-U.S. friendly military relations China also hopes to import some advanced military technology from the United States in order to speed up China's military modernization. In the course of transferring military technology, there have been reversals. A handful of people in the United States still opposes the export of military technology to China. [paragraph continues]

However, such conservatives as U.S. President Ronald Reagan also admit that a powerful China today constitutes an important factor to peace in Asia. We can thus see that China's policies of peace diplomacy and of opening to the outside world are receiving universally good reactions in the world.

A U.S. Fleet Will Visit China in November [subhead]

Weinberger's current visit has taken place on the eve of the U.S.-Soviet summit in Iceland. This precisely shows its importance. Both sides agreed that a new step has been taken in the exchange and transfer of military technology. In addition to that, Beijing announced yesterday that a U.S. Naval fleet will pay a friendly courtesy visit to China in early November. This also shows that substantive progress has been made in Sino-U.S. friendly military relations. Predictably, its influence to the Asian and Pacific situation cannot be ignored.

WEINBERGER VISITS SATELLITE LAUNCHING CENTER

OW101739 Beijing XINHUA in English 1723 GMT 10 Oct 86

[Text] Kunming, October 10 (XINHUA) -- U.S. Secretary of Defense Caspar Weinberger today visited the Xichang Satellite Launching Center in southwestern part of China.

He warmly praised the achievements of the center which was set up in 1983.

The center has successfully launched three synchronous stationary telecommunications satellites with Chinese-made "Changzheng (Long March) 3" rockets. China has launched a total of 18 satellites. At present a dozen or so foreign companies from the United States, Sweden, and other countries have requested the Xichang center to launch satellites for them.

Weinberger and his party arrived this afternoon at the Xichang airport by special plane, accompanied by Wu Xhaozu, vice-minister of the Chinese Commission of Science, Technology and Industry for National Defense. They they went straight to the command center.

Tong Lianjie, deputy director of the Xichang center, told the visitors that the center is capable of sending a satellite with a weight of 1.4 tons to a point 36,000 kilometers from the earth.

The visitors also watched a video tape recording the whole process from the transportation of carrier rockets, surveying, assembling, to launching.

In the test center, the visitors saw a milky white "Changzheng 3" rocket, which is 41 meters long and has a diameter of more than three meters. They asked the engineers around about the rocket's linkage parts. Weinberger then mounted the 70-meter high launching gantry.

Before leaving, Weinberger told the Chinese and foreign reporters on hand that what he had seen and been told showed that the center had the capability of launching satellites. He thought that it had a great potential. He said he was deeply impressed by the fact that the center had a plan to further improve its infrastructure, in order to carry on China's launching program and also launch foreign commercial satellites.

Earlier today, Weinberger and his party visited a Chinese People's Liberation Army unit stationed at Yangcun near Tianjin and also watched a flying performance by an Air Force unit.

The U.S. guests arrived here after their visit to the launching center. This evening, they attended a banquet hosted by the local army leaders.

Ends Four-Day Visit

OW110718 Beijing XINHUA in English 0710 GMT 11 Oct 86

[Text] Kunming, October 11 (XINHUA) -- Caspar Weinberger, defense secretary of the United States, and his party left here today at the end of their four-day visit to China.

WANG COMPUTER JOINT VENTURE OPENS IN SHANGHAI

OW111823 Beijing XINHUA in English 1459 GMT 11 Oct 86

[Text] Shanghai, October 11 (XINHUA) -- An Wang, head of a major computer producer in the United States, cut the ribbon here today for the opening of the first factory his company has invested in the Chinese mainland.

The Shanghai Wang Computer Industry Development company was set up jointly with a local company to produce the "VS" series of mini-computers. Wang's company offered 60 percent of the total six million U.S. dollar investment, and the joint-venture has a registered capital of two million U.S. dollars.

The new enterprise will use the equipment and technology of the American company to produce 100 mini-computers the first year, and is expected to gradually produce series products of the Wang company in large amounts.

Through the Shanghai partner, the American company will also help Chinese clients explore more software products and provide training and repair services, said a local offical.

Dr. Wang, born in Shanghai in 1920 now president of Wang Laboratories, said his company is willing to produce the latest techniques to support the joint venture. He hoped the Shanghai company will also promote the development of other Chinese electronics projects.

Local officials told XINHUA the new enterprise will benefit from new measures offered by the municipal government to improve the investment climate for foreign enterpreneurs.

The include providing an additional amount of hard currency for joint ventures, and allowing them to sell products on the Chinese market as import substitutes and be paid in foreign exchange.

[Beijing XINHUA Domestic Service in Chinese at 1443 GMT on 11 October carries a similar report, saying that Jiang Zemin, major of Shanghai, also cut the ribbon to open the computer company; and that Li Tieying, minister of electronics industry, Thomas Brooks, U.S. consul general in Shanghai, and over 100 Chinese and foreign guests were present at the company's opening ceremony]

WU XUEQIAN MEETS SOVIET SPECIAL ENVOY ROGACHEV

OW101525 Beijing XINHUA in English 1517 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian today met with I.A. Rogachev, special envoy of the Soviet Government and vice-minister of foreign affairs, who is attending the ninth round of Sino-Soviet consultation here.

Present on the occasion were Qian Qichen, special envoy of the Chinese Government and Chinese vice-minister of foreign affairs, and O.A. Troyanovskiy, Soviet ambassador to China.

PRC-USSR TALKS END IN BEIJING WITHOUT AGREEMENT

OW110035 Tokyo KYODO in English 0010 GMT 11 Oct 86

[Text] Beijing, Oct. 11 KYODO -- China and the Soviet Union wound up their ninth deputy foreign minister conference here Friday apparently failing to narrow their differences on how to improve bilateral ties.

"There was no major progress that can be tied to changes in our political relations," a Chinese Foreign Ministry source said.

Igor Rogachev, the Soviet deputy foreign minister and head of the Soviet delegation, left for a visit to Xiamen after the conference, which got under way Monday.

Rogachev is due to return to Beijing next week for a meeting with China's foreign minister Wu Xueqian, Soviet Embassy sources said.

A Chinese Foreign Ministry source said the two sides had failed to iron out their differences on the withdrawal of Vietnamese troops from Kampuchea -- an issue which Beijing regards as one of three barriers blocking better relations with Moscow.

Another Chinese source noted that the Soviet delegation had shown a "tactical softening" on Soviet position during the talks and there was no change in the basic Soviet stand on the three barriers.

Rogchev Says Talks 'Productive'

OW110833 Tokyo KYODO in English 0826 GMT 11 Oct 86

[Text] Beijing, Oct. 11 KYODO -- Soviet Vice Foreign Minister Igor Rogachev has described the just-ended negotiations for improvement of Soviet-China relations as productive, East European sources here said Saturday.

"(The five-day meeting) was held in a good atmosphere," Rogachev was quoted by the sources as telling the Soviet press corps in Beijing Friday night.

He headed a Soviet delegation for the vice-ministerial level normalization talks, the ninth in a series since October 1982.

Chinese Foreign Ministry sources said Friday no substantial progress was made during the latest negotiations toward improvement of bilateral political relations.

Negotiations were expected to have centered on Vietnam's military presence in Kampuchea, one of the major problems hindering China and the Soviet Union from moving closer.

The East European sources also said Chinese Foreign Minister Wu Xueqian made a suggestion on a projected Sino-Soviet summit meeting when he met with Rogachev Friday night.

But the sources did not give details of the suggestion.

PRC, USSR Firm on Cambodia

BK121110 Hong Kong AFP in English 1107 GMT 12 Oct 86

[Text] Peking, Oct 12 (AFP) -- China and the Soviet Union discussed the situation in Cambodia during the latest round of normalisation talks here but stuck to their previously-held positions, informed Eastern European sources said Sunday.

Peking views Soviet support for the Vietnamese occupation of Cambodia as the principal obstacle to normalising Sino-Soviet relations.

The Soviet Union agreed to discuss the thorny Cambodian problem last week for the first time since the series of talks on normalising relations began in 1982.

Until now Moscow had refused to discuss the Cambodian issue on the grounds that it involved third parties.

Deputy Foreign Minister Igor Rogachev, the new Soviet negotiator to the normalisation talks, said Friday at the end of the ninth round of talks that his meetings with Chinese counterpart Qian Qichen had been "productive" and had taken place in a "good atmosphere," the sources said.

The sources quoted Mr Rogachev as saying that the two deputy foreign ministers discussed bilateral relations, as well as international and uniquely Asian problems, which observers viewed as confirmation that Cambodia was brought up during the talks.

Other Eastern European sources citing sources close to the Chinese delegation said the two sides were unable to reach a compromise on the Cambodian question, leaving the problem as it stood before the talks.

Mr Rogachev, who is making a short trip to the south of China, might meet again with the Chinese side to draft a final joint statement, these sources said.

Peking also considers the presence of Soviet troops in Afghanistan and along China's northern border as obstacles to normal ties between the two communist giants.

Soviet leader Mikhail Gorbachev unveiled plans for a partial withdrawal of troops from Afghanistan and Mongolia in a speech on July 28 at Vladivostok.

The latest talks coincided with the visit to Peking of U.S. Defence Secretary Caspar Weinberger in a characteristic move by China to show its independent policy towards the two superpowers, Western diplomats said.

They ended as pre-summit talks between U.S. President Ronald Reagan and Mr Gorbachev began in Iceland. China has said it expects no spectacular agreements to emerge from the two-day meeting between the U.S. and Soviet leaders.

Eastern European sources said Chinese Foreign Minister Wu Xueqian had also raised the Cambodian problem when he met with Mr Rogachev Friday. The Chinese press have kept a blackout on the substance of the talks.

China's top leader Deng Xiaoping said last month that he was prepared to meet with Mr Gorbachev anywhere in the Soviet Union if Moscow put pressure on Vietnam to withdraw its estimated 140,000 troops from Cambodia.

RENMIN RIBAO ON SOVIET TROOP WITHDRAWAL PROPOSAL

HK140049 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Oct 86 p 6

["Talks on World Affairs" column by Sai Bei (1039 0554): "The Puzzle of Withdrawal of Troops"]

[Text] On the eve of the U.S.-Soviet summit, the Soviet Union announced that starting from 15 Octobver, 6 regiments of Soviet troops, that is, about 7,000 to 8,000 men and officers, would be withdrawn from Afghanistan. Some people asked: What is the purpose of this Soviet move? Does it sincerely want to settle the Afghanistan issue or is this just propaganda? My opinion is that one must wait and see.

The withdrawal of Soviet troops from Afghanistan was first announced in Gorbachev's Vladivostok speech in July this year. Later, this was mentioned several times by some high-ranking Soviet officials. The number of Soviet soldiers in Afghanistan is generally estimated at more than 100,000 men and officers. However, some individual estimates put it at moe than 200,000 men and officers. No matter how one arrives at one's figure, one still finds that the number of Soviet soldiers to be withdrawn is very insignificant compared with the total number of Soviet soldiers in Afghanistan. Some even maintain that this is not a withdrawal of troops. This is just a relief of troops by others, for a more or less equal number of troops arrived in Afghanistan from the Soviet Union not long ago.

No one knows the truth because only very scanty information has arrived from Afghanistan. However, the Soviet Union has so far neither announced a withdrawal schedule nor suspended Soviet military operations in Afghanistan. People are indeed puzzled by the problem of whether the withdrawal of six regiments is the beginning of an overall Soviet withdrawal from Afghanistan or just a tactical gesture aimed at putting itself in an advantageous position at the U.S.-Soviet summit.

Now, there are people in the Soviet Union who consider Afghanistan to be a "bleeding wound." This contains a grain of truth. Oozing from this wound is not only the blood of innocent Afghan people, but also that of Soviet soldiers and the wealth accumulated by the Soviet people. This wound, which is affecting the Soviet Union's international reputation and national interests, should be healed without delay.

Everything is hard in the beginning. If the Soviet Union really intends to make a good start in settling the Afghanistan issue by withdrawing six regiments from the country, then, for the sake of peace in Asia and for the sake of its own interests, it should have the courage to withdraw all its troops from it. However, whether or not the Soviet Union will do this still remains a puzzle.

SOVIET CULTURAL DELEGATION ARRIVES IN BEIJING

OW100932 Beijing in Russian to the USSR 1800 GMT 9 Oct 86

[Text] A 14-man special cultural group of activists of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the USSR-China Friendship Society led by well-known Soviet composer Frenkel and consisting of theater and film artists and musicians arrived by air in Beijing this morning for a 2-week visit of friendship. The group is visiting at the invitation of Chinese People's Association for Friendship With Foreign Countries and the Chinese-Soviet Friendship Association.

Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, met the Soviet guests and gave a banquet in their honor in the evening. Zhang Wenjin and Frenkel exchanged speeches at the banquet.

Ying Roucheng, PRC vice culture minister; Liu Gengyin, vice president of the Chinese People's Association for Friendship With Foreign Countries; Shi Ziming, vice president of the China-USSR Friendship Association; and Troyanovskiy, Soviet ambassador to China, were present at the meeting and banquet.

QUEEN ELIZABETH II BEGINS HISTORIC VISIT TO PRC

XINHUA on PRC-UK Relations

OW101635 Beijing XINHUA in English 1610 GMT 10 Oct 86

["Round-Up: New Milestone in Annals of Sino-British Relationship (by Yu Chengzhi)" -- XINHUA headline]

[Text] London, October 10 (XINHUA) -- The imminent visit to China by Britain's Queen Elizabeth II will be a new milestone in the annals of the Sino-British relationship.

The queen's state visit, scheduled for October 12-18, will be the first ever made by a reigning British monarch to China.

Less than two years ago, China and Britain signed an agreement on the future of Hong Kong. British Prime Minister Margaret Thatcher and Premier Zhao Ziyang signed the agreement in Beijing on December 19, 1984, an accord viewed by the world as a significant international event. The relationship between the two nations has since entered a new stage.

The past two years have seen better political relations, steady development in trade and economic cooperation, and increasing exchanges in culture, science and technology between China and Britain.

Following Chinese Premier Zhao Ziyang's week-long trip to Britain in 1985, General Secretary of the Central Committee of the Communist Party of China Hu Yaobang paid a three-day visit to the country last June. Both leaders' visits were part of wider West European tours and were seen as having laid a solid foundation for the further strengthening of Sino-British relations.

Britain is one of China's major trade partners in Western Europe. The total volume of exports and imports that moved between the two nations last year stood at more than 1.4 billion U.S. dollars, 20 percent more than in 1984. China's purchase of 10 BAE146 aircraft and British-Chinese cooperation that will go into construction of the Daya Bay nuclear generating station in Guangdong Province are leading examples of this growing relationship.

The construction contract for Daya Bay was signed last month by China, France and Britain.

A series of agreements signed by the two governments including a memorandum of understanding on scientific and technological cooperation in space, the second economic and technological cooperation agreement, and an accord concerning the promotion and protection of investments and the financial arrangement for development loans, have brought thousands of British industrialists to China for talks. More than 500 Chinese delegations and teams have been to Britain, most of them sent by provincial or municipal governments.

Under the financial arrangement for development loans signed in May, Britain will provide China with 300 million pounds sterling (434.8 million U.S. dollars) in "soft" loans over a 20-year period.

Sino-British economic cooperation involves petroleum, coal, electricity, aviation, motor vehicles, rubber, chemicals, telecommunications and nuclear power. This cooperation takes many forms, including technology transfers, production of new equipment, joint ventures, noncommpensation trade and technical reformation.

In September last year, Chinese terra-cotta warriors of the Qin dynasty were on display in Edinburgh, Scotland, an exhibit that attracted more than 200,000 visitors from all over the United Kingdom. After viewing exhibition, many friends expressed their eagerness to learn more about Chinese civilization and culture.

As well, Peking operas and Chinese acrobatics have not only fascinated British audiences but also helped them better understand the Chinese people.

At the moment, the Central Ballet of china is performing in London, adding lustre to the Sino-British relationship right before the British queen's China trip.

In China, a widely influential project is the television English teaching program jointly presented by the British Broadcasting Corporation (BBC) and the Chinese Ministry of Radio, Film and Television, which has attracted millions of Chinese people over the past years.

During China's first Shakespeare festival in April of this year, Chinese artists staged 24 plays of the reowned English playwright and poet, including "Richard the Third," "The Merchant of Vienice" and " a Midsummer Night's Dream" in different local operatic styles.

In June a 10-year Sino-British friendship scholarship plan was signed by China, Britain and the Y.K. Bao Foundation. Under this scheme, China will send, beginning next year, a further 400 students and visiting scholars annually to join the 1,200 Chinese now studying in Britain.

Since the signing of the Hong Kong Agreement, practice has shown that once problems or disputes are settled through negotiations between nations, the relations between the peoples will no doubt increase.

Visits Marks 'New Chapter'

HK110504 Beijing CHINA DAILY in English 11 Oct 86 p 4

[By CHINA DAILY commentator: "A Warm Welcome"]

[Text] Queen Elizabeth II arrives in Beijing tomorrow on a state visit to China, the first time a monarch of the United Kingdom of Great Britian and Northern Ireland has ever come to China. The Royal visit thus marks a new chapter in relations between the two nations, and the Chinese public will surely accord the Queen and her husband the Duke of Edinburgh a warm welcome.

Though geographically far apart, China and the United Kingdom have long had friendly ties. During the Second World War, both countries fought against the fascist agressors. Later, as permanent members of the UN Security Council, both have worked for the preservation of world peace and security.

Thanks to the political foresight of their leaders, an agreement was reached on the Hong Kong issue at the end of 1984. The settlement of this outstanding issue provides an example of resolving disputes between nations by peaceful negotiations. It moreover opened up a broad vista for the further expansion of friendly and co-operative ties.

Top-level visits have since increased between the two countries. During their respective visits to England last year and earlier this year, Premier Zhao Ziyang and Communist Party General Secretary Hu Yaobang were warmly received. They held talks with British leaders and had extensive contacts with the people, all of which helped deepen mutual understanding.

Economic ties are getting closer and extending to more fields. In 1985, the volume of trade between the two countries rose 20 percent over the previous year and the United Kingdom is now China's second largest trading partner in West Europe. More agreements on economic and technological co-operation have been signed, the latest on conventional equipment for a nuclear power station. Vast potential obviously exists, and further development will undoubtedly benefit the economy of both countries.

Particularly worth mentioning in the field of cultural exchanges are the Shakespeare Festivals held in Beijing and Shanghai last April. Sixteen of the Bard's plays were staged either in the original English or in Chinese, with some even adapted to local Chinese drama forms. The festivals attracted enormous interest. An event unprecedented in Chinese theatre history, it shows the Chinese people can share a common language with the British people.

Despite the different social systems, there is no fundamental conflict between our two nations. Increased co-operation and exchanges will not only produce good results for both but will also have an impact on world peace and stability.

Queen Elizabeth II is the beloved monarch of the British people. She is also known to the Chinese people as a prominent world figure. Her China visit will give great pleasure to her own people and to the Chinese people as well, and will certainly promote friendship between our two nations. She will be able to see for herself our traditional hospitality. We sincerely hope her visit will be a happy, successful and memorable one.

PRC Envoy Welcomes Visit

HK131036 Hong Kong TA KUNG PAO in Chinese 13 Oct 86 p 6

[Article by Hu Dingyi, PRC ambassador to Britain,: "Wishing the British Queen a Successful Visit to China"]

[Text] Beijing in October features cool autumn's splendor, blue skies, white clouds and flowers blooming. During this lovely season the Chinese Government and people warmly and solemnly welcome honored guests far across the ocean -- the Honorable Queen of England Elizabeth II and the Duke of Edinburgh.

In the long history of association between the people of China and Britain, this visit to China by a British monarch is a first. The visit is a symbol of further development of the friendly relations between China and Britain and carries enormous significance. [paragraph continues]

I believe that Her Majesty the Queen's visit will further promote the excellent cooperation existing between the two countries in the fields of politics, economy, trade, culture, education, science and technology. At the same time, it will be favorable to a smooth transition in Hong Kong.

Following the establishment of the People's Republic of China in 1949, Great Britain was one of the earlier West European states to recognize China. In 1954, the two countries established diplomatic relations at the level of charge d'affaire, and this was promoted to the ambassadorial level in 1972. I personally have been fortunate to be posted at our embassy in Britain twice, in 1954 and 1972. In the almost 10 years that I have spent in Britain, I have been able to attend several receptions hosted by the queen at Buckingham Palace. Being in charge of cultural affairs in the Embassy, I clearly remember the enormous success of the "Chinese archeological relics exhibition" held in London in 1973 when hundreds and thousands of people visited the exhibition with great interest. Her Majesty the Queen also visited the exhibition and admired the rare and valuable cultural relics of our country. Her visit added much color and glamour to the exhibition.

In 1984, due to the foresight of the leaders of both China and Britain, as well as to the "one country, two systems" concept, and following friendly consultations, representatives from the two countries finally reached an agreement on the Hong Kong issue, an issue left over from history. The successful settlement of the Hong Kong issue ushered in a new stage in the relations between the two countries.

In April, 1985, I returned to London for a third time as ambassador, feeling deeply honored but also aware of the heavy responsibilities. Not long after my assumption of office, Premier Zhao visited Britain in June. He held friendly talks with Prime Minister Thatcher, met with the leaders of the various parties and sectors in Britain, took part in a forum with Britain's business and industrial leaders, visited Edinburgh and Cambridge. The queen hosted a luncheon reception in honor of Premier Zhao, and both my wife and I were cordially invited to attend. Before the reception began, the queen, Princess Margaret, and Premier Zhao posed for pictures together. The hosts and guests conducted relaxed and friendly conversations. The queen's unassuming approach, elegance and poise left a deep impression on the Chinese guests.

In June this year, Hu Yaobang, general secretary of the CPC Central Committee, visited four West European countries for the first time, and his first stop was Britain. The trip demonstrated the importance attached by our country to the development of relations with Western Europe. On the eve of General Secretary Hu's visit to Britain, the two countries concluded an agreement on protection of investments and one on loans extended by Britain to China. The two agreements will undoubtedly propel further development of bilateral trade and economic relations. During his visit in Britain, General Secretary Hu received a warm welcome and reception from the British Government as well as from people of all sectors. The queen hosted a special luncheon in his honor and held cordial talks with him. Again, my wife and I were invited to this reception. The visit to England by the highest leaders of our government and party within 2 years and in succession demonstrates our country's determination to maintain independence and self initiative in our diplomatic activities, to establish friendly relations with all countries of the world based on the five principles of peaceful coexistence, rather than according to distinctions in social systems and ideologies.

Looking back on almost 30 years of Sino-British relations, I feel deeply honored to have taken part in the three important stages in the two countries' association, and to have witnessed the development of friendly bilateral relations. Her Majesty the Queen is about to undertake a historic visit to China. Let me wish the Queen a successful visit in China! Let me wish for the continued development of friendship between the people of Britain and China!

Hu Dingyi

September 1986

Special Trade Publication Issued

OW110340 Beijing XINHUA in English 0242 GMT 11 Oct 86

[Text] Beijing October 11 (XINHUA) -- The "CHINA TRADE PROMOTION REVIEW" weekly will put out a special issue on Sino-British trade tomorrow in cooperation with the Sino-British Trade Council of Britain.

The publication is for the occasion of Queen Elizabeth II's coming visit to China, according to the publisher.

The issue will carry a message from British Prime Minister Mrs. Margaret Thatcher for the review, which says, "The British Government fully supports British industry in its desire to increase its contribution to China's development and further enhance the spirit of cooperation that exists between our two countries."

Jia Shi, president of the China Council for the Promotion of International Trade, and Eric Sharp, president of the Sino-British Trade Council, also wrote articles for the issue.

The issue will also carry stories about the British queen and members of the royal family, articles on China's exports, Sino-British trade since January this year, and a list of exhibitions the China council has planned for 1987.

Queen Leaves for China

OW111611 Beijing XINHUA in English 1604 GMT 11 Oct 86

[Text] London, October 11 (XINHUA) -- Her Majesty the Queen, Elizabeth II, left here this afternoon aboard a special plane for a week-long state visit to China.

The queen's husband, Prince Philip, the Duke of Edinburgh, is now in Tokyo and will fly to Beijing before the Queen's arrival.

British Foreign Secretary Sir Geoffrey Howe, who will be accompanying the Queen on her visit, left London today on a separate plane.

Chinese Charge d'Affaires ad Interim Yue Jungqing was at Heathrow airport to see the Queen off.

The visit, the first ever by a British monarch to China, is at the invitation of Chinese President Li Xiannian.

British Royal Yacht Arrives

OW111535 Beijing XINHUA in English 1516 GMT 11 Oct 86

[Text] Shanghai, October 11 (XINHUA) -- British royal yacht Britannia arrived at a pier of the international passengers terminal of the Shanghai port this afternoon.

While in Shanghai, Queen Elizabeth II is scheduled to host a return banquet and reception on the yacht.

A seminar on the Sino-British economic and trade cooperation is to be held in the yacht October 14.

The British royal band also arrived in Shanghai on board the yacht. The escort vessel "York" of the British Royal Navy also came to Shanghai today.

Queen, Prince Arrive in Beijing

OW121656 Beijing XINHUA Domestic Service in Chinese 1309 GMT 12 Oct 86

[Text] Beijing, 12 Oct (XINHUA) -- At the invitation of President Li Xiannian, Queen Elizabeth II of England arrived in Beijing by special plane at 1655 [0855 GMT] to begin a week-long historic, unprecedented state visit to China.

After the queen's special plane, a British Airway's Tristar jet, landed at the capital airport, the queen's husband, Prince Philip, the Duke of Edinburgh, who arrived in Beijing half an hour earlier, went up to the plane. Then the queen and the prince stepped down from the plane amidst applause. Wearing a white, broad-brimmed hat and a yellow dress with black spots, the queen smilingly waved at the wellwishers in acknowledgement. At the side of the ramp, Wu Xueqian and his wife Bi Ling warmly shook hands with the queen. The queen said to Wu: "I'm very glad to come to China." Then two Chinese children presented bouquets to the queen and the prince.

British Secretary of State for Foreign and Commonwealth Affairs Sir Geoffrey and Lady Howe, who will accompany the queen on the visit and who had arrived here earlier, were also present at the airport to greet the queen.

Queen Elizabeth II is the first British monarch ever to visit China. Observers here believe that the visit comes at a time when the Hong Kong issue has been sucessfully settled and relations between the two countries are developing smoothly, and that it will certainly become an important milestone in the history of Sino-British relations.

Escorted by a motorcade, a black limousine drove the queen and Wu Xueqian to the Diaoyutai State Guesthouse where the queen will stay.

To greet the British queen's arrival, Chinese and British national flags were hung on the tall lampposts in front of the magnificent Tiananmen City Tower today. The capital's main thoroughfares are decorated with countless colorful banners, and streets are lined with pots of blossoming flowers.

Among the tens of thousands of people gathering at the Tiananmen Square and the two sides of the Changan Avenue, many are tourists coming from other parts of the country.

When the queen's motorcade passed through the Tiananmen Square at 1736 [0936 GMT], the people waiting there rushed forward and waved to the queen. When the motorcade passed through Xidan, the evening market shoppers there rushed to the road sides to see the queen.

At the entrance of the state guesthouse, 400 youngsters, amid the lively music of "The Blossom of Friendship Is Fragrant 10,000 Li Away," greeted the queen with drum dancing, fan dancing, scarf dancing, and floral hoop dancing. The greeting reached a climax when 600 young men and women, waving bouquets and ribbons as well as Chinese and British flags, loudly chanted: "Welcome! Welcome! Warmly Welcome!" And the queen kept waving to the welcoming crowds in acknowledgement.

Also on hand at the airport to greet the distinguished British guests today were Zhou Nan, vice minister of foreign affairs, and his wife Huang Buo; Tang Longbin, assistant minister of foreign affairs; Hu Dingyi, Chinese ambassador to England; and others.

Accompanying the queen during the visit are members of the royal family, members of their entourage, and reporters, totalling more than 250 people.

The Chinese Government will hold a grand ceremony tomorrow to welcome the queen.

The British royal yacht, the "Britannia," and the escort of the British Royal Navy, "York," arrived at the Shanghai port yesterday. During the queen's visit in Shanghai, she will hold a reciprocal banquet and a reception on board the yacht.

Zhou Nan on Royal Visit

HK130850 Hong Kong TA KUNG PAO in Chinese 13 Oct 86 p 6

[Special dispatch from Beijing by TA KUNG PAO reporter Gong Shuangyin (7255 7175 0603): "Interview With Zhou Nan, Vice Minister of Foreign Affairs of the PRC on the High Degree of Development of the Sino-British Relations Since the Signing of the 'Joint Declaration'"]

[Text] The British Queen Elizabeth II, arrived in Beijing and started her state visit to China on 12 October. On the eve of the Queen's visit, our reporter called on Mr Zhou Nan, vice minister of Foreign Affairs in charge of West European affairs. The following is a full record of the interview.

Reporter: How are the relations between China and the United Kingdom since the signing of the Sino-British Joint Declaration on the question of Hong Kong?

Zhou Nan: The Chinese and British Governments signed a "Joint Declaration" on the solution to the question of Hong Kong on 19 December 1984. The signing of this agreement paved the way for the enhancement of the Sino-British relations to a higher level. There is no doubt that remarkable development has been achieved in various fields of the relations between the two countries since the "Joint Declaration" came into effect. [paragraph continues]

There has been an exchange of visits between senior leaders of the two countries. Premier Zhao Ziyang and General Secretary Hu Yaobang separately visited the United Kingdom in June last year and in June this year respectively. The British queen, Elizabeth II, will pay a state visit to China in mid October. I believe these contracts at a high level will help to further promote the development of the relations between the two countries. On the other hand, there have also been more and more frequent contracts at the provincial and city levels between the two countries. China and the United Kingdom have also mutually set up their Consultates General in Manchester and Shanghai. Encouraging progress has also been made in regard to the economic relations, trade, and technological cooperation. The volume of trade between the two countries is increasing every year. The scope of economic cooperation has been constantly expanded and more flexible and diversified forms have been developed. At present we are actively exploring the possibility of cooperation on certain projects. We are also contented with the development of relations between our two countries in the fields of science, technology, culture, education, and so on. In brief, the satisfactory solution to the question of Hong Kong has truly enhanced the relations between the two countries to a higher level.

Reporter: How is the situation in Hong Kong since the signing of the "Joint Declaration"?

Zhou Nan: In the past 2 years since the signing of the Sino-British "Joint Declaration" on the question of Hong Kong, the general situation in Hong Kong has been good -- people have been in an unruffled mood and the economy has been developing. Adhering to the spirit of friendship and cooperation, the Chinese and British sides have yielded some positive results in implementing the "Joint Declaration."

In order to implement the "Joint Declaration," a Sino-British Joint Liaison Group and a Sino-British Land Commission were set up separately in May and July 1985. The duties of the joint liaison group are: To consult with each other on the implementation of the "Joint Declaration;" to discuss any affairs concerning the smooth handing over of political power in 1997; and to exchange information and consult with each other on matters that have been already agreed upon by the two sides. The major duty of the Sino-British Land Commission is to handle land leases in Hong Kong and other related affairs. In the past year or so since its establishment, the Sino-British Joint Liaison Group has already held four meetings in London, Beijing, and Hong Kong. During these meetings, the two sides discussed and reached common understanding on such issues as the preservation of the future Hong Kong Special Administrative Zone's membership in the General Agreement on Tariffs and Trade, the Multifiber Agreement, and the Asian Development Bank. Moreover, the two sides have also deliberated over and reached agreement on such issues as the establishment of a Hong Kong Ship Registration Bureau, the annotation on the right of residence in Hong Kong residents' travel documents, and the continued validity beyond 1997 of Hong Kong residents' identity cards issues by the British Hong Kong Government. Meanwhile, from its establishment to July this year, the Sino-British Land Commission has held a total of 10 meetings, and the two sides have reached agreement on a series of issues concerning the legal documents on leasing land and the extension of land deeds, the plan on land leases to be granted in the current fiscal year, the costs of land development, and so on.

By and large, both the Chinese and British sides are satisfied with the implementation of the "Joint Declaration" so far.

Reporter: Would you talk about the significance of the British queen's visit to China.

Zhou Nan: The British queen, Elizabeth II, is to pay a state visit to China at President Li Xiannian's invitation in mid-October. This will be the first visit to China ever made by a British head of state. It will lay an important milestone in the history of Sino-British relations. We set great store by the queen's visit and believe that her visit will have far-reaching influence on the development of the friendly relations between China and the United Kingdom and between the Chinese and British peoples.

Li Xiannian Welcomes Queen

OW130320 Beijing XINHUA in English 0305 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- The Chinese Government gave a red carpet grand welcome to the British queen, Elizabeth II, featuring a 21-gun salute here this morning.

President Li Xiannian presided over the welcoming ceremony for the first British monarch to visit China at the plaza to the east of the Great Hall of the People.

At about 10:00 the queen arrived in a black limousine, and was greeted by President Li, his wife Lin Jiamei, Wu Xueqian, state councillor and foreign minister, Geng Biao, vice-chairman of the National People's Congress Standing Committee and Fei Xiaotong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. Two teenagers presented bouquets to the queen and her husband Prince Philip, the Duke of Edinburgh. President Li and his wife and the royal couple had a picture taken together with the two youngsters.

Accompanied by Li, the queen, dressed in red, walked across the red carpet to a platform. After the military band played the British national anthem "God Bless the Queen" and the Chinese national anthem amid the sound of a 21-gun salute, her majesty, in the company of President Li, reviewed and honor guard othe three services of the Chinese People's Liberation Army.

More than 300 teenagers and youngsters in their holiday best cheered the royal couple and little girls dressed in white blouses and red shirts danced with tambourines and floral loops.

Also present at the ceremony were Chen Xitong, mayor of Beijing and Xu Xin deputy chief of the General Staff of the Chinese People's Liberation Army.

At the close of the ceremony, Li met the royal couple and her majesty's entourage in the Hebei Hall of the Great Hall of the People.

Today the city's leading thoroughfare and Tiananmen Square are decorated with colorful flags and the national flags of China and Britain. Many city residents and tourists from outside Beijing saited around the square in order to get a glimpse of the queen.

Li Xiannian Meets Queen

OW130712 Beijing XINHUA in English 0657 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — British philosophy and political economy have exerted an important influence on the Chinese people's democratic revolution, said Li Xiannian, president of the People's Republic of China, at a meeting with the visiting British queen here today.

British books on philosophy and political economy were introduced to China as early as in late last century, Li Xiannian said, according to a news briefing detailing the meeting.

During the first meet of the heads of the state of the two countries, Li Xiannian extended warm welcome to the queen's visit, hoping that she would see more in China.

The queen expressed her pleasure at having the chance to visit China, which, she added, has been her long-cherished desire. She said she hoped to see more places in China including some scentic spots and historical sites.

The British people are very much interested in her current China visit and enormous news coverage has been made by the press, she stated.

Li Xiannian said the Chinese people are very familiar with Britain, cradle of world's industrial revolution. It is still fresh in the minds of the Chinese people that Chinese and British people fought shoulder to shoulder against the fascists during the World War II. The Chinese people also know well the heroic struggle waged by the British people including George VI and the royal family who went through thick and thin with the rest of the British people.

Li Xiannian also briefed the royal couple on China's economic devleopment in the 37 years since the founding of the People's Republic in 1949.

China has basically solved the problem of feeding and clothing its one billion people, he said. However, he added, China has not yet put a final end to backwardness. The whole Chinese people are now determined to invigorate the country's economy, he stated.

The queen thanked the Chinese Government for the hospitality she has been offered.

The Chinese Government is looking forward to the visit by the queen's sister Princess Margaret and other members of the royal family next year. Prince Charles and Princess Diana are also welcome to visit China at any time they consider proper, the president said.

RENMIN RIBAO VIEWS DISCIPLINE INSPECTION, REFORM

HK100921 Beijing RENMIN RIBAO in Chinese 8 Oct 86 p 1

[Commentator's article: "Discipline Inspection Departments Must Act as an Important Force in Promoting Reform"]

[Text] The Central Discipline Inspection Commission recently held its eighth plenary session. Comrade Chen Yun made an important speech at the meeting. The commission discussed the implementation of the CPC Central Committee's "Resolution on the Guideline for Building Socialist Spiritual Civilization" and also discussed the issue of rectifying the style of the party which is in a ruling position and enhancing party members' ideological and moral quality at the meeting. It called on discipline inspection commissions at all levels to act as an important force in promoting reform and in protecting and ensuring the smooth development of the socialist reform of the economic and political structures. This meeting is an important one in the party's discipline inspection work.

Building spiritual civilization is a matter of the whole nation and a matter of entire society. Our party is the leadership core in our country's socialist modernization cause, and party organizations at all levels and all party members are shouldering particularly important responsibilities in this cause. If the party cannot maintain an honest and upright style, how can it require other people to have good morality? In this sense, the rectification of party style is an important part of our current drive to build spiritual civilization. This is not only an urgent task, but also a long-term task. We must firmly carry on this work and carry it through the whole process of reform, opening up, and modernization.

Rectifying the party style and strengthening spiritual civilization development will promote reform, opening up, and economic development. A good party style and the development of spiritual civilization will create a favorable social and political environment for reform, thus supporting promoting, and protecting reform. On the contrary, if party style is not good, party discipline becomes loose, and no efforts are made to develop spiritual civilization, then the unhealthy tendencies will prevail, and reform will encounter many difficulties and even fail.

To rectify party style, we should first remove the soil which engenders unhealthy tendencies. It is necessary to investigate and handle various criminal cases, but it is more important to conduct party principle and discipline education among all party members by using these cases as typical examples. The involvement of party members in various unhealthy tendencies can definitely be attributed to the egotism and bureaucratism in their minds or to the erroneous liberalist ideas. If we do not correct these erroneous ideas, the unhealthy tendencies will continue to appear. Therefore, we must strengthen political and ideological education among members of the party which is now in a ruling position. The discussions of the Central Discipline Inspection Commission on the relationships between the party's discipline inspection work and spiritual civilization construction and reform are of great significance. Discipline inspection departmments at all levels should seriously implement the resolution on spiritual civilization adopted by the 6th Plenary Session of the 12th CPC Central Committee and the spirit of the eighth meeting of the Central Discipline Inspection Commission, and must achieve greater results in rectifying party style and building up socialist spiritual civilization.

DANGERS OF OVERESTIMATING SOCIALIST MATURITY

HK101235 Shanghai SHIJIE JINGJI DAOBAO in Chinese 29 Sep 86 pl

[Report from Guangzhou by Cheng Danghong (7115 0030 4767) "Huan Xiang Calls Attention to the Great Harm of Overestimating the Maturity of the Socialist System" -- first paragraph is SHIJIE JINGJI DAOBAO introduction]

[Text] The Chinese Communists have been successful in leading the revolution. But immature consideration has been given to the matter of national reconstruction, especially cultural development. The Soviet pattern has been copied in its entirety without regard to national conditions, the relations of production are discussed in the abstracted in a departure from the realities of the development of productivity, and administrative means used in handling economic problems. Our analysis of the harm this has caused has been far from adequate.

"One of the underlying factors affecting China's modern culture is that in the past 40 years, we have copied the Soviet pattern in its entirety. We have, in the past, said too little about this. Now there is the need to take full cognizance of its harm and make things thoroughly clear." Well-known scholar Huan Xiang pointedly raised this problem here.

He contended that taking a look at China's cultural development from a historical point of view, we cannot help taking four important factors into consideration. 1) A feudal system of several thousand years existing in our country; 2) semi-feudal and semi-colonial rule of rule over 140 or 150 years; 3) the practice of copying the Soviet pattern in its entirety for several decades; 4) the disruptive effects of the 10-year Cultural Revolution. We have in the past talked a lot about feudalism, the Cultural Revolution, and so forth, but we have not given adequate attention to analyzing the harm of copying the Soviet pattern in its entirety. The Soviet pattern did not last long on China's soil. But closely combined with the remnants of feudalism, it has produced a very bad effect, with our thinking, our ideological state and many of our concepts in the cultural field also being affected. The problem involving the Soviet pattern is that we have overestimated the maturity of the socialist system, departed from the realities of the development of productivity and made empty talk about production relations and socialism. The Soviet Union itself has also not studied the subject of capitalism well, and its capitalist development lags far behind the West. They are not in the habit of letting economic laws play their role and are accustomed to using administrative means to handle economic problems. Meanwhile, they do not respect human rights, equality, freedom and knowledge. They still treat intellectuals in the war industry relatively well, though. We in China not only accepted such Soviet patterns, but outdid the Soviet Union during the Cultural Revolution in showing no respect for intellectuals. We should chiefly be held to blame for this, not the Soviets. The Chinese Communists have been successful in leading the revolution, but have not given mature consideration to the problem of national reconstruction. Especially in the matter of cultural development, national conditions have not been taken into account, with the Soviet pattern being copied in its entirety. Today, compared with the Soviet Union, we have behind us the experience of the Cultural Revolution which thoroughly exposed our problems and caused us great pain. This has made us determined not to allow a repetition of such a tragedy as the Cultural Revolution and determined to get rid of the defects brought by it. This painful process is outside the scope of Soviet experience. Therefore, our reform can be more thorough and a bit more realistic.

"The reform of culture is no easy matter," Huan Xiang reminded us. With the shackles imposed by history on us as a great burden and a drag, we can never let down our guard. Neither can we resort to a major operation as a way out. [paragraph continues]

In the past, a campaign was launched at random, causing a big drain on our national strength. We must make theoretical explorations on the one hand, and, on the other hand, rely on practice to demonstrate what should be done and let practice prove the correctness of the direction of the reform. At present, an overwhelming task is the economic reform. The cultural reform must also be carried out along with economic reform. An economic reform is likely to cause a change in people's ideological state. This is an important factor stimulating cultural progress. But we must note that the cultural reform can also stimulate the economic reform. Meanwhile, it paves the way for the economic reform removing the obstacles that stand in the way of progress. We should soberly realize the relations of mutual promotion between the two.

POLITICAL CHANGE, IDEOLOGY IN MODERN CHINA

HK101256 Beijing RENMIN RIBAO in Chinese 6 Oct 86 p 5

[Article by Li Xisuo (2621 0823 2076): "Political Changes and Ideological Emancipation in Modern China"]

[Text] Social existence determines social ideology; this is a basic tenet of historical materialism. However, under this premise, Marxists also fully acknowledge the reaction of social ideology to social existence. When social development comes to a critical juncture of intense changes in particular, the yoke of old concepts gravely impedes the awakening of people's consciousness and their struggle. Under such circumstances, ideological emancipation becomes the vanguard of social political changes, and the depth and breadth of ideological emancipation directly determines the extent and even the success or failure of political renovation.

Since the entrance of the Chinese society into the modern age, it met with a series of new problems unprecedented in its history over a few thousand years. One political reform after another emerged, with a number of advanced Chinese seeking, exploring, and spreading new knowledge of the West. Despite the failure, this has once again proved that the level of reason determines the success or failure as well as the results of political changes.

The Chinese first came to notice the material civilization of the West after the 1840 Opium War. Both Wei Yuan's idea of "learning from advanced foreign technical know-how" and Lin Zexu's urge to look at the world with wide-opened eyes focused on importing Western "solid boats and powerful guns" were accepted by quite a number of people after the Second Opium War. Hence, we found the emergence of the Westernization movement, which focused on the import of foreign technology. To China, which had long been closed to international intercourse, that was an important change but very difficult to grasp, because the text of safeguarding the "imperial court" with foreign "technology" could not be found in the feudal statute book of China. That drew a series of attacks from the conservative diehards. They believed learning the advanced technical know-how from the West would not help ease the crisis of the Qing Dynasty; on the contrary, it would spoil the feudal order of importance, bring down people's morality, and make China deviate from "a country of protocol." Thus, to go in for Westernization, it was first necessary to solve the problem of understanding and to demonstrate the needs of Westernization in theory, so that people could be relieved from the bondage of feudal tradition. It was a pity that most of the bureaucrats headed by Li Hongzhang knew nothing about theory, and no theorists of Westernization could be found among their subordinates. Neither did the talented intellectuals they brought up such as Xue Fucheng and Ma Jiangzhong write any articles in this respect, with their attention attached to the discussion of some specific problems. In the polemics between the Westernization school and the conservative diehards, the topics were basically specific -- such as the need to build naval defenses, an institute of translation, and railways -- while theoretical problems were rarely touched upon. [paragraph continues]

Although the Westernization school eventually overcame the conservative diehards, it was suppression with "power" but not a solution with reason. Bureaucrats of the Westernization school knew only the need to change "things," but very little about the needs to change feudal "theories." The westernization movement lacked a genuine ideological basis, the more so with the guidance of scientific theory. Therefore, despite their power and influence, Li Hongzhang and the others ended in failure. True, there were multiple reasons for the failure of the Westernization movement, but the failure to renovate peoples thinking in theory, and the way of "crossing the river with a large rock tied to you" served as a very profound lesson.

Different from the Westernization movement, the reform movement of 1898 began with the bourgeois ideological enlightenment movement. In the later phase of the Westernization movement, some reformist intellectuals in the early phase, who had an understanding of the world situation and were good at pondering such as Wang Tao and Zheng Guanyin, criticized the insufficiency in practising Westernization, and proposed changing the political system, setting up a parliament, and reforming the official system as the fundamentals in learning from the West. In their speeches and writings, they repeatedly dealt with Western parliamentary, educational, and financial systems. Although those systems were introduced to the public as they were, without any criticism, they broadened people's vision. Kang Youwei, Liang Qichao, and Tan Citong, who became active after the Sino-Japanese War of 1894-1895, went further than Wang Tao and his contemporaries. Kang and his supporters were not just for taking in anything foreign, but advocated digesting and absorbing what they had learned and linking it with the traditional Chinese concepts of "The Book of Changes." They hoisted the banner of "reforming the system of relying on things ancient," and advocated "constitutional reform and modernization" after an antique fashion. This started a "hurricane" in the ideological circles. At the same time, Yan Fu worked hard on the translation of burgeois theoretical works of the West, which served as eye-openers to the intellectual circles. People with wide vision who were bent on modernization began to run newspapers, initiate academic societies. build schools, and engage themselves in discussing the needs of and pressing for constitutional reform; all this led to the "modernization movement" that lasted 100 days!

However, the reform movement of 1898 was as short-lived as it was incomplete. The root cause might be found in its failure in theoretical propaganda. The major achievement of Kang Youwei and his supporters in theorectical exploration was establishment of the idea that only constituional reform could save China, and it was the idea of "reform" that was comparatively acceptable among people. No discussions were conducted on the questions of how to carry out the reform or what the results of the reform might be. Moreover, the people supporting reform were mostly young people in their twenties and thirties. They did not quite understand the effects of China's traditional culture. Nor had the difficulites of constitutional reform ever occured to them. The theoretical works they wrote were limited in effects. Kang Youwei's works "Textual Criticism on the Forged Books Used in the Study of Confucian Classics in the Xin Dynasty" and "Studies on Confucius' Reform of the Political System" had effects chiefly among the intellectuals of the literati and officialdom; Liang Qichao's "General Discussions on Constitutional Reform" was rather popular, but its effects were limited to only some intellectual circles. Very few people read Yan Fu's works of translation; of "Evolution and Ethics and Other Essays" had its wide social effects only in the early 20th century Tan Citong's "On the Theory of Benevolence" took on a democratic nature in criticizing China's traditional culture, spreading the bourgeois idea of emancipating individuality, and assailing the Qing court, but his works were kept in secret circulation, and was not published until the reform movement of 1898 ended in failure. Moreover, the bourgeois idea of modernization of Kang Youwei and the feudal traditional theory were diametrically opposed in essence.

However, strong political pressure made them do their best to demonstrate how the reform movement conformed with the teachings of the feudal saints and sages and how their ideological propositions fell in line with feudal theories. But when the conservatives revealed the design of Kang and his supporters, they could do nothing but stall them vaguely. The lack of profundity in such theoretical exploration restricted the development of Kang Youwei's idea of constitutional reform and modernization, and simultaneously determined the weakness of the reform movement of 1898. Even so, Kang Youwei's theory on constitutional reform and modernization, which lacked profundity and completeness, had effects on a rather small scale. This range of ideological emancipation certainly could not counter the traditional feudal ideology and culture, which was stubborn, powerful, and permeated deeply in every field. Therefore, the enlightenment movement of bourgeois culture around the reform movement of 1898 was limited, and the "modernization movement that lasted 100 days" was far less satisfactory.

If we say the ideological enlightenment emerged in a mild and legal form, with bourgeois modernization ideas wrapped in Confucian ones, then the ideological emancipation during the Revolution of 1911 spread bourgeois democratic theory intensely, openly, and justifyingly. This is because in the early 29th century, the Qing court was impotent to control the situation, the bourgeois and peti-bourgeois intellectuals had formed a contingent, and Western ideology and culture spread in China voluminously. Particularly when Dr. Sun Yat-sen proposed the Three Principles of the People, a great debate took place between the revolutionaries and the reformists. This promoted the second ideological emancipation movement, which was of a considerable scope and rather liberal since the contention of a hundred schools of thought in the Warring States period. Along with it was the outburst of the Revolution of 1911 and the end of the imperial system which had lasted more than 2,000 years. The role of ideological emancipation in promoting political change was fully demonstrated during the Revolution of 1911. However, if we study it objectively, it will not be difficult to find that this ideological emancipation movement laid an ideological foundation for the Revolution of 1911, but simultaneously sowed the seed of failure for Dr. Sun Yat-sen. The topics of study were many at that time, but the only one clarified in both theory and practice was "making revolution to overthrow the reign of the Han nationality," while all other topics were far from being fully demonstrated. Therefore, with the fall of the Qing Court, the overwhelming majority of the revolutionaries lost their way; even Zhang Taiyan did not know what a democratic republic was, and started advocating civilized autocracy. Yuan Shikai, who was not of Han nationality but had great influences, and was good at double-dealing, became a "mighty power" looked forward to by the majority of the revolutionaries. That "Yuan is the right man" was not only the secret wish of imperialism and the comprador landlords, but also the talk of the revolutionaries in the south. Under the pressure of such public opinion, it was inevitable that Dr. Sun Yat-sen was forced to resign. The revolution of 1911 was capable of driving the emperor away, but failed to build up a democratic republic. The degree of political change was once again restricted by the degree of renovation of people's concepts.

The 4 May Movement was the first great ideological emancipation movement of the Chinese people in the 20th century. When Yuan Shikay indulged himself in the daydreams of becoming emperor, QINGNIAN ZAZHI [YOUTH JOURNAL] with Chen Duxiu as the chief editor was published. Regarding the contents of the journal, despite the fact that they had only some initial understanding of bourgeois democratic ideas, their sharp criticism of Confucianism, the three cardinal guides and the five constant virtues, and old moral concepts of loyalty, filial peity, benevolence, and righteousness that safeguarded the feudal social system had a shocking effect. The journal's name was changed to XIN QINGNIAN [NEW YOUTH] a year after its publication, and called on young people to acquire new consciousness and to take up the mission of the times.

The young people of that time began to understand themselves under such ideological influences, and a small number of them accepted Marxism under the effects of the Russian October Revolution and postwar world revolution, and came to be aware of the fact that only socialism can save China. Without the consciousness of democratic ideas, there could not have been the rising of national consciousness, nor was it possible for the Chinese to accept Marxism and to take socialism as the way to thoroughly transform China. It was through the 4 May ideological emancipation movement that the Chinese people accepted Marxism.

In short, modern history has fully demonstrated that without the emancipation of reason, without the renovation of concepts, political change would be impossible.

RESEARCHER LISTS RESULTS OF POLITICAL REFORM

HK140300 Beijing CHINA DAILY in English 14 Oct 86 p 4

[By Niu Q[illegible]uxia]

[Text] China's political reform has already brought about changes in many aspects, according to Li Shengping, a researcher of the Chinese Academy of Social Sciences, whose account serves as a brief chronicle of the past seven years.

The starting point of the political reform, Li said, was the Third Plenary Session of the Chinesse Communist Party's 11th Central Committee in December 1978.

The changes of political significance include the following:

At the Third Plenum, the long-time unrealistic emphasis on "taking class struggle as the key link" was abandoned by the Party. The focus of attention was shifted to economic development.

Ultra-leftism and the personality cult had stagnated the development of political science. The party session began to call for emancipating the minds of the people.

The 1966-76 "cultural revolution" was denounced, and the old form of political struggle, which had been strongly coloured by feudalism, was negated. As a result, more than 300,000 unjust, false and wrong charges left over from the "cultural revolution" were reversed by judicial departments at all levels.

Various new policies concerning intellectuals, minority nationalities, religious beliefs and wrongly-labelled "rightists" were adopted. Following the implementation of these policies, Li said, "the metal shackles imposed by the leftists were crushed and society's psychological burden was alleviated."

The communist party renewed its links with other political parties in the country, the patriotic united front has developed greatly and the functions of the political consultative conferences at all levels have been strengthened.

A break through was made in the development of political theory. After abandoning the belief that class struggle still prevailed, there was the debate over the criterion of truth (practice for Marxist classical works). China came to realize that what it needed was a socialist system with its own characteristics. The concept of "one country, two systems" was put forward.

With the criticism of the personality cult, collective leadership was reinforced.

The legal system was strengthened. The principle that "all are equal before the law" was reaffirmed. The National People's Congress revised the Constitution and enacted 46 new laws. The State Council formulated 643 administrative regulations.

The political system and the legislative system were improved through supporting the right of the people's representatives.

Procuratorial departments at all levels regained their independent functions. The party's Central Commission for Discipline Inspection was set up. The people congresses at all levels strengthened their supervisory role over the administrative bodies.

Direct elections were practised at country level and voters enjoyed the right to recall representatives.

The leadership system was also reformed. The life tenure for the State and Party leaders was abolished. The separation of the party and administration was discussed in theory and testified in practice in some areas.

The party's leading body was reorganized into the Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection.

More than 469,000 younger officials were promoted to leading positions.

Local administrations were given more decision-making power so that the distribution of power became more rational.

The freedom of literary and artistic creation was recognized, with academic freedom on the whole becoming more widespread.

JINGJI RIBAO STRESSES SOCIALIST CULTURE, MORALS

OW251317 Beijing XINHUA in English 1236 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- China's continuing economic development requires "socialist culture and morality," says a front-page commentary in today's "ECONOMIC DAILY," one of the country's most authoritative on economic affairs.

As well as continuing to develop its industrial plant, it said, the country must promote socialist culture and morality in its scientific research, educational programs, arts and literature, as well as in its ethics, ideology and democratic reform, the paper said.

"Further development of culture depends on the development of the country's productive forces, but culture, science and technology are themselves part of the productive forces — they guide their development, and spur their growth."

For example, said the paper, better educated workers tend to be more competent at their jobs, and "raising the level of workers' cultural, scientific and technological awareness is a major part of developing a socialist culture and morality."

Since 1979, when China began its economic reform and opening to the outside world, "people's ideological concepts have changed," according to the paper.

"Feudal ideas are disappearing, and socialist ideas about work and everyday life are taking their place," it said. "Workers increasingly feel — and are held — responsible for what they do on the job, and they are keeping consumers in mind during the production process."

Such a change "is sure to be a strong, moral force for economic development," said the paper.

Socialist democracy and legal system to suarantee this democracy are an important component of socialist culture, the paper said. The restructuring of the political system, such as separating functions of the Communist Party and government decentralizing power, improving the way of selection cadres and policy decision-making process, will help expand socialist democracy and strengthen the legal system. But this also depends on economic development.

Socialist culture, which is inseparable with material civilization, "should penetrate into every economic field and promote economic development," the paper concluded.

CHINA DAILY COLUMN ON 'NEW CULTURE,' ETHICS

HK140242 Beijing CHINA DAILY in English 14 Oct 86 p 4

["Opinion" column by Huang Zhizi: "China on Threshold of a 'New Culture'"]

[Text] The significance of cultivating China's new culture and ways of thinking is being widely publicized. The central leadership of the Chinese Communist Party has announced its decision on promoting advanced socialist culture and ideology. According to RED FLAG, the Party's theoretical journal, it is as important as the decision on economic reform.

At the same time, many social scientists have been trying to tell the nation what the new culture and ethics are all about; they are certainly not simply about saying "please" and "excuse me," lending a hand to the elderly, and stopping spitting on ground.

"Admonishing salesclerks to be polite cannot really end poor service," said Zheng Zhongbing, a theorist in the Chinese Communist Party's Propaganda Department. "It is the reform in management and employment system that counts," he wrote in the magazine NEW OBSERVER.

However, this should not mean that the implementation of reform measures will have little to do with ethical life. After all, reform is being carried out by people. And in doing everything, people represent their cultural background -- the education they have received about morality and values.

To be sure, reform in the department stores has only to be accepted by the salesclerks to become effective.

Zheng said that by promoting socialist culture and ethics, China should get ready for the gradual arrival of a prosperous market and all the related economic progress at which reform is aimed.

The brisk market, he wrote, having bettered citizens' material lives, allows them to become aware of the importance of science, democracy, freedom, equality and humanity. "This is going to lead to further emancipation of their minds and spur a change of values resulting in a rise of entrepreneurship in China," he forecast.

Reform and cultural development should go hand-in-hand, Zheng pointed out. The Party's new decision on promoting culture and ideology was not made to reinforce "political studies" or repeat the attack on the so-called "spiritual pollution" that took place a few years ago.

Shao Yangxiang, representing POETRY magazine, wrote that during the "cultural revolution," science, democracy and humanity had all been discarded or distorted. "Today's efforts on cluture and ideology are precisely the opposite," he said.

When Yuankai, a professor at the China University of Science and Technology, maintained that the current development of the commodity economy, by stressing fair dealings, exchanges of equal values and equal opportunities, could change society's culture.

"Our society should guarantee that everyone has equal opportunity. Thus mutual understanding, tolerance and generousity should be advocated," he urged.

Scholars also insisted that a new culture should also generate a good sense of the rule of law, which is essential to modern citizens. A theorist from the Institute of Political Science of the Chinese Academy of Social Sciences outlined what he thought was wrong in trying to reach a high level of culture and ethics.

"Corruption, bad service and various social evils cannot be erased merely through 'moral talks'," he said. He preferred to complement new culture and ethics with the legal system, instead of simply hoping for "good officials" and "good citizens," as did the Oriental tradition of political thought.

After so much debate about what socialist culture and ideology really are, RED FLAG has developed a concise way of presentation. They include mobilizing and uniting the nation with shared ideals, promoting socialist ethics and education in democracy, the rule of law, discipline, science and culture.

RED FLAG noted that since the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in December 1978, which launched the economic reform and the open policy, much change has occurred in the Chinese life. The range of people's interests has broadened, and their enthusiasm for learning about science and culture has increased.

Meanwhile, personal relationships, life styles, moral standards and attitudes have all changed for the better, it said.

However, obstacles to reform and the maintenance of the open policy still exist. They include, according to the Party journal, "clan" ideas, privileges, lack of the democratic sense, isolationism and inadequate respect for commerce, the sciences, individual talent and the rule of law.

A century of colonialist influence has also left its marks on society. This and the influence of the feudal tradition have given rise to a series of corrupt and law-breaking activities. These problems need to be solved through enforcing the legal system on the one hand and promoting education on the other, RED FLAG said.

It also called on members of the Chinese Communist Party, especially its leading members, to set an example to follow in the new culture and ideology that the recent party decision has endorsed.

RENMIN RIBAO ON SPIRITUAL CIVILIZAION

HK140647 Beijing RENMIN RIBAO in Chinese 9 Oct 86 p 1

[Commentator's article: "To Be Clear About the Basic Guiding Principles"]

[Text] Since the promulgation of the "Resoulution of the CPC Central Committee Regarding the Guiding Principles of the Building of the Socialist Spiritual Civilization," party-wide study of this document has begun by leading organs at all levels and will be unfolded in a step-by-step way.

To study this resolution, it is very important to get a clear understanding of the basic guiding principles of the building of the socialist spiritual civilization as well as the realistic and long-term significance of these basic guiding prinicples put forward by the 6th Plenary Session of the 12th CPC Central Committee.

Regarding the building of spiritual civilization in the past, there have been some expositions in the documents of the party Central Committee, some talks by leading comrades of the Central Committee, and a lot of miscellaneous expositions in journals and conferences. However, this is the first document on the guiding principles of the building of the spiritual civilization, which is collectively enacted and passed and discussed by a plenary session of the Central Committee.

Studying the document, we should be fully aware of the importance of it. Notwithstanding that many of the sentences in the document look "very familiar," we should go into the subject in depth and avoid contenting ourselves with a superficial understanding. We should notice that it is the result of summing up both negative and positive experiences over the years in order to expound the party's basic guiding principles and various tasks regarding the building of spiritual civilization in a thorough and systematic way. Proceeding from the relationship of continuity and new development between this document and the previous relevant documents, and the relationship between the entire layout and various parts of the document, we shoud conscientiously study the document in depth. We can see that our party's understanding of the building of the spiritual civilization has been greatly improved.

Such an improvement is concretely reflected in the distinct proposition of the "resolution" that the building of the socialist spiritual civilization "must push forward the socialist modernization construction, must promote te overall reform and conform to the policy of opening up to the outside world, and must uphold the four cardinal principles." With these unequivocal guiding principles, those comrades who still have some doubts about the building of spiritual civilization and how this relates to the modernization construction, the reform, the opening up to the outside world, and the four cardinal principles, will no longer have to worry about it.

Since it is a document which expounds the guiding principles of the building of spiritual civilization, it is impossible for the "resolution" to put forward many specific measures and resolve many specific issues. Nevertheless, it has clarified the guiding principles. Moreover, only by understanding the guiding principles can we possibly put forward practical specific measures and correctly resolve various specific issues of the building of spiritual civilization.

JINGJI RIBAO URGES BACKING FOR REFORMERS

OW201408 Beijing XINHUA in English 1229 GMT 20 Sep 86

[Text] Beijing, September 20 (XINHUA) -- The "ECONOMIC DAILY" today once again called for doing away with feudal ideas and supporting reformers.

Under a headline "Getting Rid of Old Ideas To Back Reformers," a frontpage commentary is based on the "Ma Shengli incident", which concerns a factory director in Shijiazhuang, capital of Hebei Province, who successfully pioneered reform and turned-around his bankrupt factory in spite of criticism and scandal.

The commentary said that changing the old system for the new would inevitably lead to a "fierce conflict" between the old ideas and new concepts.

The long history of the feudal system in China has strongly influenced the Chinese mentality. "Feudalism still plays a role in our economic, political and social activities," the commentary said.

According to the article, feudal ideas in the areas of economics and politics are clearly obstacles to reformers.

Small-scale farming, emphasis on production without concern for distribution, easy acceptance of the status quo, absolute egalitarianism and an unwillingness to accept innovation and competition are seen as economic pitfalls of feudal ideas.

Abuse of power and nepotism are mentioned as the main feudal influences blocking political reform.

"These phenomena will repeatedly appear until new ideas have been widely accepted," the paper said, adding that this is the main reason why many reformers are facing disappointment in their efforts.

The commentary also said, "feudal ideas are a deeply rooted force which cannot be eliminated in a few days by a few people, and we should mobilize the whole nation to pursue an unrelenting struggle against them."

The example of the "Ma Shengli incident" shows people that reformers' endeavors to promote the commodity economy under the socialist system should be encouraged and supported, the paper said.

FORMER RED GUARDS REFLECT ON CULTURAL REVOLUTION

OW130847 Beijing XINHUA in English 0738 GMT 13 Oct 86

["News Feature: Former Red Guards Reflect" -- XINHUA headline]

[Text] Beijing, October 13 (by XINHUA correspondent Lou Xiaolu) -- Ten years after the end of the "Cultural Revolution" (1966-1976), many of its young Red Guards have become thoughtful participants in China's ongoing economic and political reform.

To allegedly help prevent a comeback of capitalism in China, the 12.5 million self-appointed Red Guards inflamed Chinese politics with their violent attacks and internal conflicts between 1966 and 1968, when most of them were sent to work in the countryside.

"We have matured," says Chen Jiangong, 37, a Beijing writer who has written stories set during the period. "There is no need to regret what has happened. It had to happen."

According to Chen, the damage caused by the "Cultural Revolution" has forced the Chinese people to confront the country's need for modernization.

"Looking back on it, I believe the 'Cultural Revolution' was a sore that had to open sooner or later. And it is fortunate that it did open -- otherwise, China would not be as healthy as it is today."

Like millions of youths, Chen became a Red Guard in 1966. But after less than two years, his unit expelled him because his family background was considered tainted.

"My father was a college professor, and was denounced as a 'bourgeois intellectual,'" he explains. "Because he was denounced, so was I."

In 1968, Chen went to work in a coal mine on the western outskirts of Beijing. He worked there until 1978, when he entered Beijing University after the school resumed admitting students on merit, regardless of their parents' background.

"Now, as a writer, I create characters who survived," he says. "I hope my work can help people see the lingering influence of feudalism which holds back China's modernization."

Historians say most Red Guards acted out of a desire to prove their dedication to the revolutionary cause of their parents' generation and their loyalty to Chairman Mao Zedong.

But this blind faith led them out of the schools and into China's established institutions, destroying whatever they considered non-proletarian.

Another former Red Guard, Qin Xiaoying, 38, is now a senior researcher at the Chinese Academy of Social Sciences. He is the youngest member of the academy, and deputy editor-in-chief of "THE WORLD ECONOMY," China's leading magazine on international economics.

In 1978, before China began its policy of opening to the outside world, Qin wrote "The Significance of Lenin's New Economic Policy," a paper that argued for economic reform.

"The 'Cultural Revolution' made me realize the importance for China of making major decisions rationally and democratically," he says. "And I am now trying to use what I have learned to help achieve that aim."

He says the "Cultural Revolution" "would never have happened if rational thought and democracy had prevailed."

A third former Red Guard says he cannot in any sense be called a "victim of fate," a way those who suffered on account of the "Cultural Revolution" have been described.

The owner of a small restaurant near the Temple of the Sun, he earns 3,000 yuan (811 U.S. dollars) a month, a dozen times as much as a government minister.

Thanks to the economic reform of the last few years, Zhang, 37, was allowed to quit his job as a porter and open the restaurant.

"Before 1982, when I was able to open the restaurant, I felt like a doctor of traditional Chinese medicine, feeling the pulse of the Communist Party, waiting to see if its new policies would change," he said.

"The 'diagnosis' was that the new policies to make China strong and people prosperous will never change," he said. "The party has emerged wiser from the 'Cultural Revolution'."

YANG SHANGKUN ENDORSES GRASS-ROOTS ARMY BUILDING

OW111253 Beijing XINHUA Domestic Service in Chinese 1318 GMT 10 Oct 86

[By reporter Nie Nianxin]

[Text] Chengdu, 10 Oct (XINHUA) -- At a meeting held by the Chengdu Military Region today to commend outstanding grass-roots units in army building, Yang Shangkun, permanent vice chairman of the Central Military Commission, called on all PLA units to spend 2 to 3 years to intensify grass-roots building starting next year.

Yang Shangkun stressed that army building at the grass-roots level is very important because it can strengthen the Army's combat capability. Despite the great changes that have taken place and will take place in the PLA and despite the diversity of arms and services, the grass-roots remain the Army's foundation. Therefore, intensifying army building at the grass-roots level is a task of vital and lasting importance.

Yang Shangkun made the following three-point suggestion for effectively strengthening army building at the grass-roots level: First, it is necessary to improve grass-roots party organizations. Companies must have a strong party branch and strictly abide by the party Constitution and discipline. The party branch must build itself into the nucleus of the company, give full play to its role as a fighting bastion, developing a democratic work style, do good ideological and political work, and exercise effective leadership over the CYL organization and soldiers' general meetings. Second, grass-roots cadres must play an exemplary role. Under the leadership of the party branch, cadres must each assume their responsibility, work conscientiously, and pay close attention to unity. Third, it is necessary to improve relationship between officers and soldiers. Unharmonious relations between cadres and soldiers have emerged as a major problem among the new situations and problems that have cropped up in the Army's grass-roots units. The "Eighth Prohibitions," which is a supplement to and development of the "Three Main Rules of Discipline" and the "Eight Points for Attention," have worked quite well among cadres and fighters to solve problems between them. Some cadres have complained about difficulty in commanding soldiers. However, the key to this point lies, in fact, in the competence of cadres themselves. They should take the initiative to do political and ideological work and hold regular heart-to-heart talks with fighters in order to become their bosom friends. In this way, it will not be difficult to command soldiers.

Yang Shangkun praised the Chengdu Military Region for doing a good job in holding the commendation meeting, which had met the Military Commission's requirements for intensifying army building at the grass-roots levels.

Inaugurates Martyr's Monument

HK101538 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 9 Oct 86

[Excerpts] On the morning of 9 October, the ceremony to inaugurate the memorial to proletariat revolutionary martyr (Liu Boxin) was held in Pinchang County, his native town. (Liu Boxin) was one of the province's major army leaders at the early stage.

Entrusted by the CPC Central Committee, the State Council, and the Central Military Commission, Yang Shangkun, Political Bureau member of the CPC Central Committee and Vice Chairman of the Central Military Commission, made a special trip to the province and attended the inauguration ceremony.

Nei Ronggui, deputy secretary of the provincial party committee, also attended the inauguration ceremony on behalf of the provincial party committee and government. [passage omitted]

At 0900, the inauguration ceremony began amidst bangs of firecrackers. Yang Shangkun cut the ribbon at the ceremony. Wang Zhen, Standing Committee member of the Central Advisory Committee; (Hu Jin), Standing Committee member of the CPPCC; Tianbao, member of the Central Advisory Committee; and Wang Haifeng, Political Commissar of Chengdu Military Region, Removed the cover on the memorial.

On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, Comrade Yang Shangkun made a speech. He said: Comrade (Liu Boxin) was a good party member and sincere communist fighter. Being an important leader of our party and army during the first and second civil wars, he made remarkable contributions to China's revolution.

Comrade Yang Shangkun called for comprehensive propaganda on the glorious deeds of martyr (Liu Boxin). We should study his revolutionary spirit and noble character, so as to uphold the communist cause till the end.

Comrade Nei Ronggui also spoke. He pointed out: Erection of the memorial to the martyr (Liu Boxin) was long the aspiration of people living in Pingcheng County, in Sichuan, as well as PLA units and fighters stationed in the province. [passage omitted]

Before the ceremony ended, Comrade Yang Shangkun and other leading comrades visited an exhibition on martyr (Liu Boxin's) life. They also planted trees in front of the memorial to mark the occasion.

ANHUI GOVERNOR REPORTS SIXTH PLENUM RESULTS

OW130618 Hefei Anhui Provincial Service in Mandarin 1100 GMT 10 Oct 86

[Excerpts] The provincial people's government held a provincial meeting of administrative commissioners, mayors, and leading cadres of departments and bureaus directly under the provincial government in Hefei on the afternoon of 7 October.

Meng Fulin, member of the provincial party committee Standing Committee and vice governor, presided over the meeting, during which Wang Yuzhao, deputy secretary of the provincial party committee and governor, transmitted the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and gave a briefing on the economic situation and major problems in economic work in Anhui.

Comrade Wang Yuzhao stressed that, in studying the implementing of the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization, it is necessary to pay close attention to overall arrangements for the socialist modernization program, adhere to the four cardinal principles, and persist in reform and opening to the outside world. Currently we must give top priority to organizing study sessions on the document and earnestly study and comprehend its basic views, spiritual essence, and major requirements in order to promote work in all fields.

The meeting called on people on all fronts and from all trades and professions in Anhui to work hard and stress efficiency for 80 days in order to fulfill and overfulfill the provincial plan for economic and social development in 1986 and lay solid foundations for sustained and stable economic growth next year.

After analyzing Anhui's economic situation this year Comrade Wang Yuzhao put forth suggestions for the current work in various fields.

In agriculture it is necessary to do a good job in autumn harvesting, ploughing, and sowing. After the hard-earned harvests this year we should properly store grain and complete field management for the next period. We should also pay close attention to autumn sowing in order to pave the way for another bumper harvest next year. [passage omitted]

In industry we should do away with the thinking that production will eventually grow in the fourth quarter, work hard to improve the management, and concentrate efforts to raise economic efficiency in order to win successive victories in the next 80 days, before the end of the year. [passage omitted]

Comrade Wang Yuzhao also mapped out specific requirements for commercial, financial, tax, and banking reforms, as well as a province-wide general financial, tax, and price inspection.

In conclusion, he emphatically pointed out that all departments should earnestly study the resolution of the 6th Plenary Session of the 12th CPC Central Committee and apply it to the practical work of rectifying party style and improving office work style in order to give a strong impetus to the construction of two civilizations in Anhui.

GUANGDONG URGES STUDY OF 6TH PLENUM RESOLUTION

HK101033 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Oct 86

[Text] At a meeting held in the assembly hall of the provincial party committee this morning, Xie Fei, deputy secretary of the provincial party committee, gave a pep talk on studying the CPC Central Committee's resolution on the guiding principles for the building of socialist spiritual civilization.

After talking about how the resolution was adopted at the 6th Plenary Session of the 12th CPC Central Committee and what he himself learned from the resolution, he stressed the requirements set by the provincial party committee for the study and implementation of the resolution at the present time. They are: 1) a correct attitude must be taken toward the study of the resolution; 2) efforts must be made to grasp the essence of the resolution; 3) the study must be linked with actual conditions in one's mind and work; 4) principal leaders of party committees at various levels must personally take a hand in the study; 5) while studying the resolution, we must strengthen leadership over the building of spiritual civilization and pay close attention to the present work.

Guo Rongchang, deputy secretary of the provincial party committee, presided over the meeting. More than 1,600 people, including leading comrades of all committees, departments, and bureaus directly under the province as well as of party committees at the city and prefectural levels attended the meeting.

GUANGDONG CIRCULAR ON PROTECTING MEDIA FACILITIES

HK101041 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 8 Oct 86

[Text] Today the General Office of the provincial government issued a circular in which it relayed the regulations on protecting radio and television facilities with the approval of the provincial government. It called on all localities to implement the regulations.

The regulations make the following demands of all administrative organs, mass organizations, Army units, enterprises, institutions, and individual citizens:

1. They are not allowed to build large facilities within 0.5 kilometers of radio and television antennas.

2. They are not allowed to shoot, burn grass on waste land, dig earth, dig ditches, blast, raise domestic animals, or place inflammable or explosive goods and other sundries in areas near antennas.

3. They are not allowed to dry their clothes on radio and television facilities, to tie their animals to them, to hang their own electrical lines or loudspeakers, or other receivers on them, or to use the radio stations' high frequency radioactive energy [as heard] as a source of light.

4. They are not allowed to move or dismantle radio and television facilities without authorization. They are not allowed to obstruct the use or maintenance of radio and television facilities.

5. The establishment of facilities which may result in a relatively strong electromagnetic field within 3 kilometers of the boundary line of an antenna area must be approved by radio and television management departments and the wireless management committee.

Those who violate these regulations must be given administrative and economic punishment by radio and television management departments in conjunction with other departments concerned. Those who violate laws must be dealt with by judicial departments.

GUANGZHOU LOWERS NATIONAL ECONOMIC PLAN TARGETS

HK140018 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1004 GMT 9 Oct 86

[Report: "Guangzhou City Readjusts Main Targets of This Year's National Economic Plan"]

[Text] Guangzhou, 9 Oct (ZHONGGUO XINWEN SHE) -- The following readjustments will be made in industrial and agricultural production and other targets of Guangzhou City's national economic plan for the current year. This is an important decision made at the 22nd meeting of the Standing Committee of the Guangzhou City People's Congress.

According to Guangzhou's readjusted national economic plan, the rate of growth of total industrial output value this year will drop from the projected 10 percent to 2 percent. The growth of total retail sales of social commodities will drop from 10 percent to 4 percent. Total grain output will fall from 1.825 billion kilograms, as called for in the plan, to 1.8 billion kilograms, a level similar to last year's actual output.

According to an analysis by the relevant department, the readjustment of Guangzhou City's national economic plan is due chiefly to inadquate supply of electricity, fuels, and raw and other materials. In the first 8 months of this year the supply of electricity was only 40 percent of the needed volume. In addition, due to the effects of typhoons and violent rainstorms, more than 20,000 hectares of agricultural land in the Guangzhou area were affected, with a drop of 10 million kilograms in early rice output.

Given some enterprises' poor capacity for coping with emergencies and an irrational mix of industries and products, there is now a large accumulation of low-grade products, industrial and commercial departments alone accounting for accumulated stocks of products and commodities worth around 800 million yuan.

Some people concerned contend that the timely readjustment of the targets of an economic plan difficult to achieve by the authorities of Guangzhou City, with reality in mind, points to a down-to-earth approach.

It was learned that of various economic sectors in Guangzhou city, foreign trade departments gave the best preformance in the fulfillment of plans. By the end of August, foreign trade export plans for the whole year had been fulfilled ahead of schedule, the total volume of exports registering an increase of 90 percent compared with the corresponding period last year. It is expected that the mark of $500 million can be surpassed foth the whole of the year.

GUANGXI LEADERS STUDY 6th PLENUM RESOLUTION

HK101029 Nanning Guangxi Regional Service in Mandarin 1100 GMT 8 Oct 86

[Excerpts] From 6 to 7 October, members of the regional party committee Standing Committee, chairman and vice chairmen of the regional Advisory Committee, party member leading cadres of the regional People's Congress Standing Committee, people's government and CPPCC and secretary and deputy secretaries of tne regional Discipline Inspection Commission held a study meeting. At the meeting, they conscientiously studied, discussed and grasped the essence of documents relating to the 6th Plenary Session the 12th CPC Central Committee, and discussed the region's work of building spiritual civilization and carrying out economic reform in the coming winter and next year.

At the beginning of the meeting, Chen Huiguang, regional party committee secretary, and deputy secretary Jin Baosheng conveyed the spirit of the Sixth Plenary Session and how the plenum discussed and revised the CPC Central Committee's resolution on the guiding principles for the building of socialist spiritual civilization. [passage omitted]

During discussions, comrades participating in the meeting pointed out: The resolution is another programatic document guiding China's socialist modernization following the decision on reform of the economic structure adopted at the 3d Plenary Session of the 12th CPC Central Committee. It will certainly give great and far-reaching significance to strengthening the building of material and spiritual civilization, bringing about a whole range of reforms, opening up to the outside world and building socialism with Chinese characteristics.

The resolution has not only summed up experiences, both positive and negative, in the building of spiritual civilization since the founding of the people's republic, but it also has made a new and important summary of many major theoretical and practical problems and put forward new ideas, content, and viewpoints. The resolution is characterized by a distinctive flavor of the times. [passage omitted]

HENAN CPC COMMITTEE URGES STUDY OF CENTRAL DOCUMENT

HK140733 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 9 Oct 86

[Excerpts] The provincial party committee issued on 7 October a circular on earnestly studying the resolution of the CPC Central Committee on guidelines for the building of socialist spiritual civilization. The full text is as follows:

The resolution of the CPC Central Committee on guidelines for the building of socialist spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee is a programmatic document for guiding the healthy development of the building of socialist spiritual civilization in China. [passage omitted]

Earnestly studying and implementing the spirit of the resolution is of great importance to promoting the building of material and spiritual civilization in the province, to simulating overall reforms and opening up to the outside world, and to building socialism with Chinese characteristics.

To earnestly study and implement the resolution, a circular is issued as follows:

1. Earnestly studying the resolution and accurately and completely understanding the guidelines for the building of socialist spiritual civilization is the most important task for party members, cadres, and the masses in the province. Through earnestly studying the document, we must deeply realize that the building of socialist spiritual civilization must promote the building of socialist modernization, stimulate overall reforms and the opening up and adhere to the four basic principles. [passage omitted]

2. Cadres, leading cadres at all levels, and cadres engaged in ideological work in particular, must first earnestly study the document. [passage omitted] While earnestly studying the document, they must go to the grass roots and the masses to seriously conduct investigations and discover key problems in their own areas and departments that should be solved in the building of socialist spiritual civilization. [passage omitted]

3. Party committees at all levels must effectively strengthen their leadership over the study. Propaganda departments at all levels must properly arrange and organize the study. From now to the end of this year, they must spend some concentrated time on studying the document. Different localities may relate the study to their own condition and needs. [pasage omitted]

HUNAN'S MAO ZHIYONG CONVEYS SPIRIT OF 6TH PLENUM

HK110408 Changsha Hunan Provincial Service in Mandarin 0100 GMT 11 Oct 86

[Text] From 8 to 10 October, the provincial party committee held a conference in Changsha of chief party-member responsible cadres of prefectures and cities and the departments and bureaus directly under the provincial authorities. At the conference, Mao Zhiyong, secretary of the provincial party committee, conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee and made arrangements for the study of the resolution of the CPC Central Committee on the guiding principle for building socialist spiritual civilization. Xiong Qingquan, deputy secretary of the provincial party committee and provincial governor, made a speech on the current economic situation of the province and the economic work in the fourth quarter of the year.

Mao Zhiyong first gave a brief account of the 6th Plenary Session of the 12th CPC Central Committee. Speaking about the great significance of the resolution, he said: The resolution of the CPC Central Committee on the guiding principle for building socialist spiritual civilization, which was adopted by the sixth plenary session, is another very important document guiding our socialist modernization drive after the resolution on reform of the economic structure adopted 2 years ago. It is of great practical and long-term strategic significance. It has rich contents and profound implications, and both its main points and viewpoints are very clear. It has a strong ideological sense and high theoretical level. It is an important guide for us. It fully reflects the aspirations of the whole party and the people throughout the country and embodies the spirit of seeking truth from facts as well as dialectical materialism and historical materialism. It is really a historical document with distinctive features of our times, which has creatively developed Marxism. It is a programmatic document guiding our efforts to build socialist spiritual civilization in the new historical period.

Mao Zhiyong emphasized: The first thing for us to do is to conscientiously study the resolution rather than hastily making a statement of our positions and giving calls and orders without studying it well.

The main task of our conference is to study the question of how to organize the masses to study this document. After the meeting, all areas and departments must use some time to conscientiously study the resolution and make a conscientious investigation and study On this basis, the Second Plenary Session of the Fifth Provincial CPC Committee will be held by the end of this year to study and work out concrete measures for implementing the resolution.

Mao Zhiyong continued: In studying the resolution, it is necessary to pay particular attention to the following five points: 1) gain a clear understanding of the important strategic position of building spiritual civilization in our socialist modernization drive; 2) gain a clear understanding of the basic guiding principles for building socialist spiritual civilization; 3) gain a clear understanding of the fundamental tasks for building socialist spiritual civilization; 4) gain a clear understanding of the guiding role of Marixism in building socialist spiritual civilization; and 5) gain a clear understanding of the responsibilities of the party organization and party members in building spiritual civilization.

In his speech, Mao Zhiyong put forth some concrete demands on studying and implementing the resolution in light of our provincial situation. He said: We must resolutely respond to the call of the CPC Central Committee and organize the study of the resolution in a down-to-earth manner. Through the study, the following two aims should be attained: 1) the ideological level should really be raised; and 2) new progress should be achieved in our practical work. He required the party organizations at all levels in this province should give priority to studying the resolution and that leading cadres at all levels should take the lead in the study. After conscientiously studying the document, deepening their understanding, and making a sound investigation, they should study and work out concrete measures for implementing the resolution in light of the realities of their own localities, departments, and units. The study and implementation of the resolution should become a motive force for promoting reforms in various fields, economic construction, and all other work.

Present at the conference were also party-member responsible comrades of the provincial party committee, the provincial Advisory Committee, the provincial Discipline Inspection Commissionn, the provincial People's Congress, the provincial CPPCC, and the provincial Military District, the members and alternate members of the provincial party committee who were in Changsha, and some retired veteran comrades.

GUIZHOU PARTY COMMITTEE STUDIES CENTRAL RESOLUTION

HK140526 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Oct 86

[Excerpts] While studying the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee, the Guizhou Provincial CPC Committee Standing Committee pointed out: In studying the resolution, it is necessary to seriously understand the spirit and substance of the document, to correctly grasp the guiding principle, to proceed from Guizhou realities, to take measures suitable to local conditions, and to link the common ideal of the people of the whole country with the specific target of invigorating Guizhou and enriching its people. From 8 to 11 October, the provincial party committee held an enlarged meeting of its Standing Committee which was attended by the secretaries of all prefectural, autonomous prefectural, and city party committees and by responsible persons of relevant departments at the provincial level. The meeting seriously studied the main spirit of the resolution. According to the demands of the central authorities, the provincial party committee placed the study of the document above everything else and organized the comrades present to concentrate their energy on the study of the document. [passage omitted]

In the course of study, the provincial party committee Standing Committee also emphatically pointed out: To strengthen the building of spiritual civilization, it is essential to proceed from Guizhou realities and to take measures suitable for local conditions. [passage omitted]

The building of spiritual civilization must serve the development of our province's socialist commodity economy, do everything to help the people eliminate poverty, and serve the invigoration of Guizhou and the enrichment of its people. [passage omitted]

CHENGDU MILITARY REGION MEETING MARKS LONG MARCH

HK081443 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 6 Oct 86

[Excerpts] An academic symposium held by the Chengdu Military Region and Sichuan Province to mark the 50th anniversary of the victory of the Red Army in the Long March opened in Chengdu on the morning of 6 October.

Over 100 people, including some veteran Red Army soldiers who took part in the Long March, personnel engaged in CPC history work from CPC historical date collection departments at all levels in the Army and localities, and some CPC history teaching and research personnel, met to mark the 50th anniversary of the victory of the Red Army in the Long March. Over 70 treatises were submitted to the symposium. [passage omitted]

Wan Haifeng, political commissar of the Chengdu Military Region, and Nie Ronggui, deputy secretary of the Sichuan provincial party committee, attended the symposium and delivered speeches. [passage omitted] They hoped that the participants would fully develop the spirit of bold exploration and free debtes and further enliven research on the theory of Marxism so as to reap rich fruits in the symposium.

(Yang Chao), director of the CPC History Work Commission under the Sichuan provincial party committee, also delivered a speech at the symposium. Fu Quangyou, commander of the Chengdu Military Region, and Li Shuo, deputy political commissar of the Chengdu Military Region, attended the symposium.

SHANXI CPC SECRETARY VIEWS STRUCTURAL REFORM

HK090847 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 6 Oct 86

[Excerpts] On the morning of 6 October, at a meeting on the manager responsibility system in large and medium-sized enterprises in the province, provincial party committee Secretary Li Ligong, Governor Wang Senhao, Vice Governors Bai Qingcai and Yang Wuhong had discussions with the participants on how to further carry out the reform of the leadership structure of entepriees, and how to institute the manager responsibility system.

Comrade Li Ligong first gladly reviewed the results the province has achieved in instituting the manager responsibility system. He said that remarkable results have been achieved and some experience has been gained by the province in this respect.

He pointed out that instituting the manager responsibility system is an important reform which should make a great change in our ideas, in the division of work in all departments, and in the organization of party and government organs. The appearance of some problems concerning our ideological understanding in the process of the change is natural. Provided that earnestly study the relevant regulations of the CPC Central Committee and the State Council and actively conduct ideological education, these problems will be solved easily. [passage omitted]

Comrade Li Ligong told the participants in sincere words: Instituting the management responsibility system is designating the scopes of work done by party committees, managers, and trade union federations and the division of their functions. It is not a redistribution of power. There are no such problems as who is more or less powerful. [passage omitted]

Comrade Li Ligong expressed the hope that party committees, administration leaders, and trade union federations of enterprises unite as one and cooperate with each other closely. [pasage omitted]

In conclusion, Comrade Li Ligong said that in order to properly carry out reform of the leadership structure of enterprises, we must study the relevant regulations of the central leadership in depth. Leaders of enterprises must not only earnestly study them, but must also organize their staff and workers to study them earnestly, so that they can learn about and understand the spirit of the central documents, study and implement the spirit together, and make their work a success.

TIANJIN HOLDS FORUM ON RECTIFYING PARTY STYLE

SK070347 Tianjin City Service in Mandarin 2330 GMT 23 Sep 86

[Text] The municipal party committee held as forum on rectifying party style on 22 and 23 September. While discussing the tasks for rectifying party style, Comrade Wu Zhen, deputy secretary of the municipal party committee, pointed out that we should further deepen the work of rectifying party style, and make solid efforts to attain the fighting goal set forth by the municipal party committee for realizing a notable turn for the better in the party style of the municipality and realizing a fundamental turn for the better in the party style of the organs under districts, counties, and bureaus this year, and realizing a fundamental turn for the better in the party style of the municipality before the convening of the 13th party congress next year.

The forum first relayed, studied, and discussed the important speeches of central leading comrades on rectifying party style and the guidelines of the forums on rectifying party style sponsored by various provinces, municipalities, and autonomous regions throughout the nation. Six units, including the Hedong District CPC Committee, the municipal Engineering Bureau, the Public Utility Bureau, [words indistinct], the Beijiao District CPC Committee, and the Communications Bureau, introduced their experiences in rectifying party style, improving work style, and straightening out unhealthy trade practices.

Comrade Wu Zhen, deputy secretary of the municipal party committee, delivered a speech at the forum. After summing up the situation of the development of the municipality's party style rectification work done in the first 8 months of this year, he pointed out: The tasks for rectifying party style at present are still very arduous. Thus, we must unswervingly grasp the work of investigating and handling major and appalling cases; continue to thoroughly straighten out unhealthy trades practices; conscientiously grasp the work of consolidating discipline; and deeply conduct education on party style, party spirit, and party discipline. Comrade Wu Zhen called for grasping the following few requirements in order to attain the tasks for rectifying party style:

First, we should seek unity of thinking in line with the guidelines of the instructions of the central authorities, firmly carry out the principle of resolutely and persistently rectifying party style in order to fundamentally improve party style in 2 years, pay attention to eliminating the slack mood and the mood of being satisfied with the existing state of affairs, continue to solve minor problems, constantly maintain and carry forward the spirit of justly enforcing the law, strictly and conscientiously avoid playing tricks of practicing formalism, and make efforts to do our work solidly.

Second, we should correctly handle the relationship between party style rectification and reform and ensure that party style rectification and reform work supplement and promote each other. Comrades of the party committees and the discipline inspection commissions at all levels should continue to stand in the forefront of reform to study the new situation, to solve new problems, and to enthusiastically support and protect reform. Those who engage themselves in illegal and criminal activities in the name of reform should consciously be investigated and handled.

Third, we should simultaneously attend to both the work of investigating and handling cases and correcting unhealthy practices and the work of inheriting and carrying forward the party's fine work style.

Fourth, we should combine ideological and political education with the work of perfecting the system and strictly enforcing the law and discipline.

Fifth, leading cadres and leading organs should continue to play an exemplary role among the masses. Leading cadres should always be models in learning from the advanced, studying hard, emancipating minds, being keen to conduct reform, uttering fewer idle words and doing more solid work, serving the people wholeheartedly, abiding by the law and discipline, resolutely waging the struggle against activities violating the law and discipline, and firmly resisting unhealthy practices. Comrade Wu Zhen urged the participants to further inspire with enthusiasm, to unite as one, and to make persistent efforts to better achieve the work of rectifying party style, conducting reform, opening to the outside world, and conducting economic construction.

Attending the forum were Wang Xudong, Chen Yiyi, and Zhang Dinghua, Standing Committee members of the municipal party committee; Li Changxing, vice mayor of the municipality; responsible comrades of the departments and commissions under the municipal party committee; and the party committees and discipline inspection commissions of various districts, counties, and bureaus.

JILIN SECRETARY AT CPC RESOLUTION FORUM STUDY

SK090221 Changchun Jilin Provincial Service in Mandarin 2200 GMT 7 Oct 86

[Text] On the morning of 7 October, the provincial CPPCC Committee held a forum to study the resolution of the CPC Central Committee on the guiding principles for building the socialist spritual civilization. Gao Di, secretary of the provincial party committee, studied the resolution with the CPPCC members participating in the forum, and delivered a speech.

He said: The resolution of the CPC Central Committee has substantial contents. We should [words indistinct] and solidly study the resolution.

In his speech, Liu Jingzhi, chairman of the provincial CPPCC Committee, called on CPPCC members to study the resolutions well, and thoroughly master the guidelines of the resolutions.

At the forum, participants enthusiastically made speeches. They held that the resolutions reflect the common ideals and desires of the people throughout the country. In their speeches, the participants reflected their experiences and achievements in the socialist spiritual civilization scored since the 12th party congress, summed up experiences, and [words indistinct]. They pledged to study hard in order to comprehensively master the guidelines of the resolutions and to implement the resolutions in a down-to-earth manner.

Guan Mengjue, vice chairman of the provincial CPPCC Committee, presided over the forum. Attending the forum were more than 40 people, including provincial CPPCC Committee Vice Chairmen Zhang Fengqi, Zhang Dexin, He Yunqing, Geng Yuelun, Luo Yuejia, Jin Cheng, Jin Minghan, Cai Yiyun, and Lu Shiqina; and CPPCC members in Changchun.

JILIN'S GAO DI SPEAKS AT THIRD SCIENCE CONGRESS

SK110058 Changchun Jilin Provincial Service in Mandarin 2200 GMT 9 Oct 86

[Text] The 4-day third congress of the provincial Scientific and Technological Association ended on 9 October. During the congress, all delegates studied and discussed the documents adopted by the 6th Plenary Session of the 12th CPC Central Committee, relayed the guidelines of the third congress of the National Scientific and Technological Association, reviewed the work of the past 6 years since the convocation of the second congress of the provincial Scientific and Technological Association, worked out the tasks for future work, and elected the third committee of the provincial Scientific and Technological Association.

Wu Jieping, vice chairman of the National Scientific and Technological Association, attended the congress. Also attending were delegates from Heilongjiang and Liaoning Provinces and from Nei Monggol Region. Gao Di, secretary of the provincial party committee, spoke at the congress. He said: The provincial Scientific and Technological Association and its various subordinate societies and research institutes have yielded plentiful and substantial results in scientific research programs by organizing scientists and scientific and technological workers to invigorate Jilin's economy. From now on, the broad masses of scientific and technological workers in the province should positively go into action, plunge into the building of the two civilizations, offer policy and strategic advice to the party and the government, serve the implementation of democratic and scientific leadership, conduct activities to solve key scientific and technological problems, and solve technical problems for medium-sized and small enterprises and for town and township enterprises.

From now on, leaders at all levels should listen to criticisms of scientific and technological workers with an open mind in order to create a fine atmosphere of respect for knowledge and for competent persons. Excellent scientific and technological workers should be propagated and commended vigorously, and conditions should be provided for competent scientific researchers to show their talent and ability. Party committees at all levels should attach importance to the work of scientific and technological associations, and give play to the important role of competent scientific and technological workers in building the two civilizations. Scientific and technological associations should serve as a link between party members and scientific and technological workers.

Attending the congress were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial people's government, and the provincial CPPCC Committee, including Wang Zhongyu, Liu Jingzhi, Zhang Shiying, Xiao Chun, and Gao Wen.

The congress adopted the resolution of the third congress of the provincial Scientific and Technological Association. The congress issued certificates to honorary chairmen and honorary members of the association. (Wu Yue), newly elected chairman of the third committee of the provincial Scientific and Technological Association, delivered a closing speech at the congress.

JILIN SECRETARY AT FORUM AGAINST ECONOMIC CRIME

SK100440 Changchun Jilin Provincial Service in Mandarin 2200 GMT 9 Oct 86

[Excerpts] A provincial forum on the work of dealing blows to serious economic crime was held in Changchun from 7 to 9 October. In line with the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and the national forum on rectifying party style, the forum summed up the work of dealing blows to serious economic crimes occurring since last November when the provincial party committee held a conference on dealing blows to serious economic crimes, and studied issues, during a period of further opening to the outside and enlivening the domestic economy, on how to persistently grasp the dual tactics of eliminating the arrogance of criminal elements within a year and further deepening the struggle against serious economic crime.

Gao Di, secretary of the provincial party committee; and Wang Zhonghu, deputy secretary of the provincial party committee, delivered speeches at the forum. Wang Jiren, vice chairman of the provincial People's Congress Standing Committee, attended the forum.

Participants conscientiously discussed the issue of implementing the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and on deeply waging a struggle against serious economic crime.

The forum held that a large number of serious economic criminals have been ferreted out and the number of serious economic criminals have been ferreted out and the number of major and appalling cases filed for investigation and handling has doubled since last November. All localities have firmly grasped the struggle against serious economic crimes while straightening out unhealthy trade practices. A vast majority of the masses throughout the province have notably upgraded their political understanding and have vied with each other to expose, inform against, and accuse economic criminal offenders. The arrogance of criminal offenders has been weakened through the deep development of the struggle. The launching of the struggle has promoted the development of the province's two civilizations. [passage omitted] The forum held that we should sum up experiences and draw lessons from the struggle against economic crimes, strengthen ideological and discipline construction, guard against the occurrence of crimes, and initiatively promote the development of struggle.

LIAONING SECRETARY SPEAKS ON PLENUM RESOLUTION

SK100125 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 8 Oct 86

[Text] The provincial party committee held its enlarged Standing Committee meeting to study the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee with regard to the guiding principles of building the socialist spiritual civilization.

At the meeting, Quan Shuren, secretary of the provincial party committee, delivered a speech in which he stated: The resolution has been adopted by our party in the new historical period in which the programs of building the socialist modernization, conducting reforms, and enforcing the policy of opening to the outside world have been carried out. It reflects the spirit and (?essence) of the 12th CPC Congress and consists of the fresh experience summed up over the past several years in the practice of implementing the general guideline of conducting reforms and enforcing the policy of opening to the outside world. In line with the basic theory of Marxism and the principle of integrating theory with the actual situation in China, and from the high plane of making arrangements for building the socialist modernization, the resolution has penetratingly given an explanation to the strategic position of building the socialist spiritual civilization and explained in an overall way the (?importance) of building the material civilization. It also clearly gives us the basic guiding principle of not only upholding the four basic principles, but also conducting reforms and enforcing the policy of opening to the outside world in a resolute manner in our program of building the spiritual civilization. Proceeding from fulfilling the general task and target of building the socialist modernization in the country, and by integrating the party's highest target of struggle with the practice and work emphasis in the current stage, the resolution has put forsard the bacic demand for realizing the common desire of the people of various nationalities throughout the country in achieving unity and for building socialist morality. The resolution has also consisted of the measures aimed at dealing with the problems cropping up in ideological understanding and practical work during spiritual civilization building.

In his speech Comrade Quan Shuren stated: The resolution has many precedents and new breakthroughs in applying the theories. Therefore, it is the programmatic document of guiding the healthy development of building the socialist civilization and has immediate and far-reaching significance on ensuring the smooth development of building the socialist modernization. At present, we should earnestly study and repeatedly ponder over the resolution in an effort to clearly discern its basic viewpoint and to understand it in an all-round way. The principal leading cadres at all levels and cadres in charge of ideological and theoretical work must set examples in studying the resolution successfully and work out the key method of organizing the entire party and the people to study and implement the resolution.

QINGHAI CPC SECRETARY ON SPIRITUAL CIVILIZATION

HK090537 Xining Qinghai Provincial Service in Mandarin 2330 GMT 6 Oct 86

[Excerpts] Yesterday afternoon, party members responsible comrades at and above the department and bureau level in the province listened to a report by provincial party committee Secretary Yin Kesheng, in which he conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee.

Yin Kesheng's report was divided into three parts: 1) A briefing on the 6th Plenary Session of the 12th CPC Central Committee; 2) some thoughts after attending the session; and 3) some initial suggestions on implementing the spirit of the plenary session.

Yin Kesheng said that over the past few years, Qinghai has mainly grasped six tasks in building spiritual civilization, and has achieved relatively good results in this respect. However, we must also see that the building of spiritual civilization in the province is unsuited to the socialist modernization drive and the situation of reform and opening up and that we still lack full understanding of the importance of the building of spiritual civilization. [passage omitted] If we use the resolution of the 6th Plenary Session of the 12 CPC Central Committee to measure our work, we fall short of the demands of the times in three fields. 1) We fall short of the demands of the times in ideological understanding and we fail to have a deep understanding of the importance of the building of spiritual civilization. 2) Our work in building spiritual civilization is far from perfect in width and depth and is inefficient. 3) We fall short of the demands of the times in our style of work.

Yin Kesheng demanded that party leaders at all levels thoroughly study the resolution, unify their ideas, and strengthen the building of spiritual civilization in the province in eight fields.

1. It is necessary to correctly handle the relationship between the building of the material civilization and to grasp the building of the two civilizations simultaneously. [passage omitted]

2. It is necessary to strengthen unity between various nationalities and develop ties and cooperation among them. [passage omitted]

3. It is necessary to seriously improve education and cultural awareness in rural and pastoral areas and to explore ways and methods suitable to local and national characteristics to build spiritual civilization.

4. It is necessarty to advocate the transformation of social traditions, starting with specific and tiny matters, so as to guide peasants and herdsmen to lead a new socialist life.

5. It is necessarty to educate cadres in resolutely carrying out construction and fighting tenaciously for a long time. [passage omitted]

6. It is necessary to understand and implenent in all round way the party's policies on religion. [passage omitted]

7. It is necessary to open up to the outside world more boldly and bring in more talented people. [passage omitted]

8. Leading cadres must get practical experience and do good service work. While strengthening the building of spritual civilization in respect to themselves, they must organize and promote the building of spiritual civilization for the entire society.

Yin Kesheng demanded that leading organs and leaders at all levels take the lead in earnestly studying the resolution and that propaganda departments at all levels properly examine and supervise the study. In accordance with the spirit of the resolution, all localities and units must sum up experience, put forth concrete measures for strengthening the building of the spiritual civilization, and carry out their work in a down-to-earth manner.

SHAANXI SECRETARY ON 6TH PLENARY SESSION SPIRIT

HK091545 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 8 Oct 86

[Excerpts] Bai Jinian, secretary of the provincial party committee, yesterday afternoon called together a certain number of writers and cultural workers to discuss how to strengthen the building of spiritual civilization and the problem of going deep into the realities of life. [passage omitted]

At a forum held yesterday afternoon, Bai Jinian conveyed the essential spirit of the 6th Plenary Session of the 12th CPC Central Committee and expounded problems of how to strengthen cultural construction in the building of spiritual civilization and how writers and artists who are fighting in the forefront of the building of spiritual civilization are to maintain close links with the masses.

He said: In order to make literary and artistic creation prosper, it is necessary for writers and artists to go down to the grass-roots units and go deep among the masses and into the realities of life. This is completely in keeping with the spirit of the sixth plenary session. Going deep into the realities of life is a fine tradition of Shaanxi's writers. From students of the Luxun Arts Institute in the years of Yanan to renowned writer Liu Qing, the path they followed in literary creation is just a path of going deep into the realities of life. Today our writers live in a different age, but they should not case aside this glorious tradition and should carry it forward. When going down to the grass-roots units, writers should not only gather material for their creation, but they should also share the comforts and hardships with the masses and have a frank exchange of ideas and feelings with them. Shaanxi's writers should always display the fine quality of maintaining close links with the masses. They should not only inherit the fine tradition but should also reflect the spirit of the times and make their due contributions to the renaissance of both China's and Shaanxi's civilization.

Bai Jinian concluded: In recent years, comrades working on the cultural front of our province have made great contributions to the building of socialist spiritual civilization. The provincial party committee and the people thank you for your contributions and hope you will continue to make progress, take your successes as starting points for further progress and make a new step forward under the guidance of the spirit of the sixth plenary session.

Also attending the forum were comrades responsible for the provincial cultural affairs office, radio and television department, literary and art circles federation and writers association as well as responsible persons of the relevant propaganda and cultural organizations of the province and Xian City.

SHAANXI REPORTS ON FAMILY PLANNING WORK

HK140147 Xian Shannxi Provincial Service in Mandarin 0100 GMT 13 Oct 86

[Excerpts] In the first half of this year, our province took a turn for the better in its family planning work and bringing the limitation of population growth under control. However, the task of fulfilling the whole year's quota for family planning is still very difficult.

The number of births throughout the province in the first half of this year was some 213,000. The increase in population was smaller than the national average level. The rate of second births and the rate of additional births uncovered by a plan were less than that in the same period last year. However, due to the fact that the foundation of our province's family planning work is particularly poor, some places have relaxed the grasping of family planning work over the past 1 or 2 years, and the danger of exceeding the quota for family planning for this year still exists. [passage omitted]

According to the estimates of all prefectures and cities, the number of births throughout the province in the second half year may reach 330,000 or so. Provincial authorities have demanded that all places pay attention to this situation, really do their work well, and control the whole province's population natural growth rate under the planned quota.

Departments concerned have emphasized that it is necessary to completely understand the directive on perfecting the policies of family planning was put forward by the central Authorities, to continue to advocate that a couple can have only one child, to continue to advocate marriage and having a child at a mature age, and to make arrangements for the second birth in a planned way for the masses who have practical difficulties. It is essential to strictly prohibit second births and additional births uncovered by a plan.

Meanwhile, provincial authorities have decided that from the middle of this month to the end of November, the activities of publicizing the documents of the central authorities on firmly grasping birth control and taking remedial measures should be extensively carried out in all urban and rural areas throughout the province. All prefectures and cities must really strengthen leadership over the organization of these activities and regard these activities as a start in changing the backward outlook of our province's family planning work.

XINJIANG URGES STUDY OF CPC PLENUM RESOLUTION

HK081543 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 7 Oct 86

[Text] The Xinjiang Autonomous Regional CPC Committee today issued a circular on the study of the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization.

The circular calls on party organizations at various levels and all party members of the region to conscientiously study the resolution, seek unity of thinking, raise understanding; and strengthen the building of socialist spiritual civilization so as to advance the building of the two civilizations and the great cause of carrying out a whole range of reforms.

The circular points out: The resolution on the guiding principles for building socialist spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee is a programatic document which ensures the building of our country's spiritual civilization in a healthy way. The publication of the resolution was quite an event in the political way of life of our country. The resolution sets the strategic position, fundamental tasks, and basic guiding principles of the building of socialist spiritual civilization. It provides the future building of spiritual civilization with a clear orientation and is an excellent document of studying the spirit of the resolution conscientiously, further understanding the guiding principles for building socialist spiritual civilization, and strengthening work in this aspect are of great practical and far-reaching significance to the smooth development of socialist modernization.

The circular says: Since the 3d Plenary Session of the 11th CPC Central Committee, and especially in recent years, great progress has been made in both material and spiritual civilization. However, the building of spiritual civilization in many aspects is incompatible with socialist modernization, reform, and the situation resulting from opening up to the outside world. Leading comrades at various levels do not afford a better understanding of and accord in adequate attention to the importance of the building of spiritual civilization and are not quite clear on the guiding principles for the work. Therefore, strengthening the building of socialist spiritual civilization is a new problem facing the whole party.

The circular points out: At present, the primary task ahead of our region's party members, cadres, and the masses of all our nationalities is to conscientiously study and acquire good understanding of the spirit of the resolution. Through study, they must further understand the strategic significance of strengthening the building of socialist civilization. They must be clear about the principles and tasks of building spiritual civilization, the guiding role of Marxism in the builsing of spiritual civilization, and the responsibility of party organizations for their members in the building of spiritual civilization. In short, they must understand that our building of spiritual civilization is aimed at pushing forward our socialist modernization, promoting a whole range of reforms, implementing the opening-up policy, and adhering to the four cardinal principles. In studying the resolution, we must make efforts to understand its essence, basic viewpoints, and principal requirements and emphasize practical results. No formalism should be practices and we should not resolve concrete problems until we study the resolution well.

The circular stresses: leading cadres at various levels should play an exemplary role in building the two civilizations. Their study and understanding of the resolution has an important bearing on the implementation of the spirit of the resolution and the building of spiritual civilization. For this reason, leading cadres at various levels of party and government organizations and comrades responsible for departments of ideology should study conscientiously the resolution and acquire correct and thorough understanding of the spirit of the resolution. Leading comrades should study the resolution before the masses do, and particularly study in light of their ideological conditions and practical work. At the same time, special efforts must be made to organize workers in the theoretical, journalistic, cultural, and educational circles to study the resolution and grasp its spirit so as to do a good job of publicizing the resolution.

In conclusion, the circular says: Strengthening party leadership is the key to conscientiously studying and implementing the resolution. Party committees at various levels should seriously deal withg the problem of studying the resolution and make practical arrangements. Someone must be put in charge of the work and frequent examination and supervision must be made over the study. We should not let the study drift and should avoid studying the resolution perfunctorily.

NATIONAL DAY MESSAGE AIRLIFTED TO MAINLAND

OW110347 Taipei CNA in English 1431 GMT 10 Oct 86

[Text] Taipei, Oct 10 (CNA) -- Tens of thousands of leaflets carrying president Chiang Ching-kuo's National Day message were airlifted to the China mainland by balloons released from Matsu and Kinmen Islands, two of the ROC's [Republic of China] military outposts off the coast of Fukien Province.

In his message, President Chiang Ching-kuo told Mainland Chinese compatriots that the ROC has gradually become one of the advanced nations in the world. Chiang indicated that for the sake of China and for the future of the world, the ROC Government will uphold its anti-communist stand and will continue its fight against the Peiping regime until communism is removed from China.

Also attached to those balloons are wristwatches made in Free China. An army officer in charge of balloon airlift activities said those who pick up the leaflets will also get the "surprise gifts" wristwatches from the people here. The balloons, he said, will most likely land in Kangsu, Anhui, Hunan, Hupeh, Kwangtung, Kwangsi, Yunnan, Szechuan Shensi and Hopei Provinces.

Meantime, broadcasting stations on the two islands also delivered President Chiang's message to the China mainland and asked the people there to join the ROC's efforts to create a better tomorrow for China.

RALLY URGES THREE PRINCIPLES ON MAINLAND

OW110529 Taipei CNA in English 0320 GMT 11 Oct 86

[Text] Taipei, Oct. 10 (CNA) -- The grand rally celebrating the Double Ten National Day of the Republic of China [ROC] has called on all Chinese around the world to make efforts to help promote the Three Principles of People to the Chinese mainland.

In a communique issued before the end of the meeting, the participants said that only when San Min Chu I [Three Principles of the People], which has been successfully implemented in the bastion of national recovery on Taiwan, is introduced to every corner of the China mainland, can the modernization of China be achieved and the one billion mainland compatriots enjoy a stable and prosperous life.

The rally was held Friday morning in front of the presidential building with the participation of 250,000 persons, including ranking government officials, civic leaders, students, Overseas Chinese, military cadets and militia units from the offshore islands of Kinmen and Matsu.

The communique says the people here should have the consensus that "progress can only be made in a stable environment and national unity will mean a powerful national strength."

"All people here should heighten their vigilance against the enemy, and should demonsterate a sense of unity among themselves so as to meet future challenges and to destroy the enemy's conspiracy against us," it adds.

The communique points out that the Three Principles of the People advocated by Dr. Sun Yat-sen, national founder of the Republic of China, is the supreme set of guidelines for the future national development.

"The guidelines have led us to many victories by breaking through adversities over the past years," the communique says.

Today, the ROC on Taiwan, with the smooth implementation of the Three Principles of the People, has become one of the modernized and important trading nations in the world and has successfully served as a model for other developing countries to follow, the communique says.

"The vivid contrast between progress and prosperity in Taiwan and the poverty and backwardness of the mainland has confirmed, to those who are concerned about the future of China, that the ROC on Taiwan is the hope of the whole of China," it added.

Under these circumstances, the deeply-embarrassed Peiping regime, in addition to continuing its threats and shouting its "negotiation policy," is stepping up its infiltrations into the ROC, trying to destroy the bastion of national recovery from within, the communique warns.

The communique also urged the free world nations to give up their impractical attempt to playing the "China card," considering relations between Communist China and the Soviet Union are becoming closer day by day.

OFFICIAL COMMENTS ON TRADE ISSUE WITH U.S.

OW131433 Taipei CNA in English 1423 GMT 13 Oct 86

[Text] Taipei, Oct. 13 (CNA) -- A trade official of the Republic of China [ROC] Monday expressed the hope that the United States will not take retaliatory measure against this country before an agreement on the importation of American tobacco and alcoholic beverages is reached.

Vincent C. Siew, director general of the Board of Foreign Trade, said that the Republic of China has already made great concessions on issues relating to the ROC's imports of the American products.

The Republic of China is sincere in opening its market to American products and has already made great concessions in recent trade negotiations, he said. The two countries are still unable to reach an agreement because of the high pressure exerted on U.S. negotiators by American producers, he pointed out.

Siew said he was unable to predict how the U.S. Government will react, but he did not rule out the possibility of taking retaliatory trade measures against this country in accordance with Section 301 of the U.S. Trade and Customs Law.

Such measures will have an adverse impact on some ROC exporters, Siew said. However, he urged domestic businessmen to remain calm in the face of the American reaction. A certain degree of trade friction is inevitable as the trade relations between the two countries grow, he added.

HONG KONG

UK'S HOWE ARRIVES ON 1-DAY VISIT 11 OCT

BK111238 Hong Kong AFP in English 1150 GMT 11 Oct 86

[Text] Hong Kong, Oct 11 (AFP) -- British Foreign Secretary Sir Geoffrey Howe arrived here Saturday for a one-day visit before accompanying Queen Elizabeth II on an eight-day tour of China.

He said upon arrival from London that he would be meeting with Hong Kong Governor Sir Edward Youde and members of the British territory's Legislative and Executive Councils. Hong Kong is to revert to China in 1997, and observers here said political reforms prior to the hand-over would be discussed during Sir Geoffrey's visit, his first in nearly two years.

The queen and Prince Philip are to visit Hong Kong for two days beginning October 21 after their China tour, which begins in Beijing Sunday.

Remarks on Political System

HK120300 Hong Kong SUNDAY MORNING POST in English 12 Oct 86 p 2

[By Frank Choi]

[Text] The convergence between the 1987 political review and the drafting of the Basic Law will be a vital element in Hong Kong's search for future political guidelines.

That was the message from British Foreign Secretary Sir Geoffrey Howe in the territory last night.

He said it was necessary that the two should make reference to each other in providing the continuity of Hong Kong's political system without making drastic changes.

Sir Geoffrey made his comments when answering questions from members of the Executive and Legislative Councils concerning direct elections to the legislature, during a dinner meeting.

Legislative Councillor Mr Martin Lee told reporters after the dinner that Sir Geoffrey had avoided a direct answer on the question of direct elections, but had pointed out the significance of convergence between the Basic Law and the political review.

Mr Lee said: "Sir Geoffrey told us that the political review and Basic Law should not be two exclusively mutual exercises, but inter-related because liaison and convergence are important to make further development of representative government in Hong Kong a success.

"He said when the Hong Kong Government is conducting the review, it should take note of the development and outcome of the Basic Law's drafting process.

"The Basic Law Drafting Committee would inevitably await with great interest the conclusion of the political review.

"He said whether there would be direct elections in Hong Kong would depend on the outcome of the future opinion-canvassing exercise following publication of the Green Paper."

Mr Lee felt Sir Geoffrey's point was fair because the timing for initial findings of the two exercises would be quite similar -- with the Green Paper out in May and a preliminary report from a Basic Law Drafting Committee on the constitution expected in July.

"I think the two will have a lot to borrow from each other," he said.

Mr Lee said he told the Foreign Secretary that some Legislative Council members were worried there might not be direct elections in Hong Kong in 1988, as some "influential" people here would object to direct elections in spite of strong support from the public.

Meanwhile, it has been learned that Hong Kong's political reform will be among a number of issues to be discussed between Sir Geoffrey and Chinese officials while he is in Beijing this week, accompanying the Queen on his visit to China.

Sir Geoffrey will leave for China this afternoon.

He is expected to confer with Chinese Foreign Minister Mr Wu Xuequian and officials from the Hong Kong and Macao Affairs Office on the latest development concerning Hong Kong's future and the implementation of the Sino-British Joint Declaration.

Sir Geoffrey is also likely to exchange views with Chinese officials on various Hong Kong issues, including the possibility for direct elections to the legislature and the controversial Daya Bay nuclear power plant.

ZHAO ZIYANG MEETS HONG KONG ENTREPRENEUR

OW111357 Beijing XINHUA in English 1129 GMT 11 Oct 86

[Text] Beijing, October 11 (XINHUA) -- Chinese Premier Zhao Ziyang discussed here today the economic development of the east China city of Ningbo with Yue-kong Pao, chairman of the Hong Kong World-Wide Shipping Group.

Pao is also advisor to the Coordinating Group for Economic Development of Ningbo under the State Council.

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Nakasone, Prince Philip To Visit

OW151044 Beijing XINHUA in English 1036 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone is expected here on November 8 and 9 to attend the cornerstone-laying ceremony of the China-Japan Youth Communication Center as guest of General Secretary Hu Yaobang.

This was announced by a Foreign Ministry spokesman at the weekly news briefing here this afternoon.

The spokesman also announced that Prince Philip, Duke of Edinburgh, who is president of the World Wildlife Fund, will come to China again on a working visit from October 24 to 30 as guest of the Chinese Government. The prince is presently accompanying the British queen, Elizabeth II, on a visit in China.

Hopes for More U.S.-USSR Talks

OW151054 Beijing XINHUA in English 1042 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) -- China hopes that the United States and the Soviet Union will continue their dialogue, Foreign Ministry spokesman said at the weekly news briefing here this afternoon.

The spokesman made this remark in response to questions about China's comment on the outcome of the U.S.-Soviet summit in Iceland.

"We have taken note of the fact that the U.S.-Soviet summit meeting in Iceland led to no agreement. China has always stood for dialogue between the United States and the Soviet Union, for dialogue is better than confrontation after all," he said.

COMMENTARY ON U.S.-USSR SUMMIT FAILURE

OW150525 Beijing Domestic Service in Mandarin 1150 GMT 14 Oct 86

[Commentary from the "International Current Events" program by RENMIN RIBAO reporter Gu Yaomin: "A Meeting That Broke Up in Discord -- on the U.S.-Soviet Summit in Iceland"]

[Text] The 2-day U.S.-Soviet summit meeting in Iceland broke up in discord without achieving any results. Prior to his departure from Reykjavik on the evening of 12 October, U.S. President Reagan told military personnel on U.S. bases that the historic proposals he presented to Gorbachev at the meeting were turned down by the Soviet leader. At a press conference held after the summit, Soviet leader Gorbachev accused American leaders of coming to the meeting empty-handed and lacking sincerity. Gorbachev said only a madman would have accepted Reagan's proposals. Because the United States turned down the Soviet proposals, an important opportunity was lost in Reykjavik.

According to U.S. and Soviet briefings, most of the first half of the meeting proceeded rather smoothly. The views on both sides were close on such issues as intemediate-range missiles, reduction of strategic nuclear arms, and regional conflicts, as well as human rights and bilateal relations. On the issue of reducing strategic nuclear arms, in particular, the United States was considering agreeing with the Soviet proposal that each side reduce its strategic offensive nuclear arms by one half. However, the atmosphere of the meeting held the afternoon of 11 October suddenly worsened. The two sides had serious differences over the issue concerning the United States' Strategic Defense Initiative [SDI]. While discussing the issue of banning nuclear tests, Reagan proposed that the United States proceed with researching and tesing SDI with the idea of using it a decade from now. Gorbachev stressed that the United States must strictly abide by the Antiballistic Missile Treaty and that the testing of SDI) projects must be confined to the laboratory. Reagan promptly rejected the proposal, pointing out that he could not concede on this issue, and that SDI project testing should be allowed in space as well as in the laboratory..

Gorbachev criticized the United States for continuing to develop and produce modern weapons on the one hand while indicating readiness to destroy nuclear weapons on the other, and he pointed out that this is unacceptable to the Soviet Government. The two sides were stalemated on this issue. Consequently, the meeting ended hastily, without even discussing other issues on which certain accords could have been reached.

It is not surprising that the summit ended in this way. By hastily holding the summit meeting, the U.S. and Soviet leaders hoped to satisfy each other's need for some respite from their fierce confrontation. In addition, they also wanted to know each other's real intention at the meeting. During the series of negotiations and consulations held in the past 2 months, the United States and Soviet Union have tried to explore possibilities of reaching certain accord in such areas as arms control and regional conflicts, as well as observing treaties limiting nuclear weapons, and both sides have made some concessions and presented all sorts of proposals to compromised. However, both sides have refused to budge on the star wars issue. Insisting that the United States intends to gain nuclear superiority by means of the star wars project, Moscow has attempted to restrict Washington's move so that it will not be able to accomplish the project. The United Stares, however, is unwilling to be restricted by Soviet demands, stressing that the project aims to build an even more reliable basis for deterrence.

The struggle for and against star wars has now become the main obstacle affecting U.S.-Soviet relations. While both sides want to break the stalemate, they do not want to make any further concessions on any issue that can affect their basic interests.

During the summit meeting, at which the two sides fought a roundabout battle, the Soviet side presented some proposals concerning arms control and regional conflicts and made considerable concessions and the U.S. side indicated that it would consider accepting those proposals. Everything seemed to be going smoothly. But the two sides did not really confront each other or reveal the wide gap between their standpoints until the issue concerning space weapons came up. After the summit, Shultz told the press that the meeting on that afternoon [11 October] showed that the Soviet leaders attach great importance to the SDI program. He said: I think one important reason why it was possible to reach an accord on some issues so quickly was apparently because of the fact of the strong existence of SDI. The meaning of these remarks is very clear: The United States will not easily give up the star wars program, but will continue to play this card to press the USSR.

Many people worry that U.S.-Soviet relations may worsen following the Iceland summit. However, the post-summit talks between the U.S. and Soviet leaders show that instead of saying anything definitive, both sides have left some leeway. The Iceland meeting has once again told us that there are sharp contradictions between the United States and the Soviet Union, that it is impossible for either side to give up vying for superiority, that their confrontation is the fundamental issue, and that neither side will budge on issues pertinent to their fundamental interests.

PRC OFFICIAL, COMMENTATOR INTERVIEWED ON SUMMIT

OW141455 Tokyo NHK Television Network in Japanese 1100 GMT 13 Oct 86

[From "News Center 9" program; NHK Beijing correspondent Sonoda interviews Gao E, deputy director of the Institute of International Studies under the Foreign Ministry, and Jiang Yuanchun, RENMIN RIBAO commentator; interviews conducted in Mandarin with subtitles provided in Japanese; following is taken from the Mandarin -- recorded; date, place of interviews not given]

[Text] [Sonoda] What do you think will be the future relations between the United States and the USSR?

[Gao] As there have sometimes been talks between the two countries to defuse the tension and sometimes conflicts resulting in some tension, I think such a situation will probably continue for quite a long time. In this connection, though they failed to reach an accord at the talks, in my view there still is a possibility of their holding more talks.

As far as the influence is concerned, I suspect the two sides must have gained some understanding though no accord was reached. At present, we do not have a clear view of the actual situation. In fact, from what spokesmen have said, it seems that the two sides moved closer on some issues but no accord was reached in the end. U.S. Secretary of State Shultz expressed his dissatisfaction with the summit talks, but it seems that the remarks were made as a ruse on both sides.

[Sonoda] Why is it that RENMIN RIBAO did not carry the report on the U.S.-USSR summit talks on its front page?

[Jiang] This may be one defect of RENMIN RIBAO. In the past, RENMIN RIBAO did not attach much importance to international news. However, we have made some improvement. We carry some major international news on the front page now. In my opinion, we did not frontpage the report on the U.S.-USSR talks because we do not cherish much hope for the talks. In our opinion, world peace does not depend on the charity of the United States or the USSR. It is not as if you will have peace if they give it to you and you will not have it if they do not give it to you. It depends on the efforts for peace made by the peoples of nations in general.

PRC DELEGATE SPEAKS ON DISARMAMENT

OW111418 Beijing XINHUA in English 1222 GMT 11 Oct 86

[Text] Buenos Aires, October 10 (XINHUA) -- Some parliamentarians attending the ongoing Interparliamentary Conference here today called on the parliaments and governments all over the world to safeguard peace, strengthen cooperation and eliminate the possibility of a nuclear disaster.

Parliamentarians from China, Argentina, Greece, India, Mexico and Sweden voiced an appeal for all-out efforts to maintain peace, the shared goal of the world people, which means support and cooperation from all countries.

He Ying, head of the Chinese delegation, said in his speech today that the ultimate goal of nuclear disarmament should be a total ban and complete destruction of all nuclear weapons.

Explaining China's stance on disarmament and the current international situation, he pointed out that the Soviet Union and the United States ought to take the lead in stopping testing, producing and deploying all nuclear weapons, in cutting and destroying on a large scale the nuclear weapons deployed on either their own territories or foreign soil.

"Nuclear countries should guarantee not to be the first to use nuclear weapons under any circumstances," he stressed.

The arms race, with nuclear weapons in particular, must be stopped in order to maintain peace, the Chinese delegation head said. "Progress of disarmament is determined by the sincerity and concrete actions of the superpowers rather than their lip services and documents," he emphasized.

On the imminent U.S.-Soviet meeting in Iceland, he said that China hopes the two sides conduct serious and conscientious dialogue so as to achieve effective agreements and take concrete measures on disarmament rather than make the meeting a camouflage for greater arms race.

He also stressed that the maintenance of world peace must be linked with opposing and checking hegemonist aggressions and interference, and with halting regional military conflicts and wars.

On the Kampuchea, Afghanistan and Central America questions, he pointed out all these problems had grown more complicated with aggressions or direct interference of superpowers. "The Chinese people, along with the people of other countries, will wage an unswerving struggle for world peace," he concluded.

In a statement published today, the legislators of Argentina, Greece, India, Mexico and Sweden pointed out that "the next meeting between President Ronald Reagan and General Secretary Mikhail Gorbachev renews the expectations of achieving effective measures in favor of disarmament. The main responsibility of putting an end to the nuclear arms race falls on the nuclear powers, but those countries which do not have nuclear weapons are also interested in the matter because they suffer the consequences."

"We hope the nuclear and space arms negotiations, to be carried out between the U.S. and Soviet representatives in Geneva, will produce substantial results as soon as possible," they said.

The statement pointed out that to realize the goal of eliminating nuclear weapons completely, it is necessary "to initiate multilateral negotiations immediately so as to end production and installation of nuclear weapons and their launching devices." At the same time, a fully verified suspension of nuclear arms tests would limit improving quality and lead to nuclear disarmament, they added.

The 76th Interparliamentary Conference, which mainly discussed humanitarianism in military conflicts and elimination of various colonialist remnants, is expected to end tomorrow.

REAGAN SPEECH ADDRESSES SUMMIT DISCUSSION

OW140834 Beijing XINHUA in English 0735 GMT 14 Oct 86

[Text] Washington, October 13 (XINHUA) -- President Ronald Reagan said tonight that the United States and the Soviet Union "are closer than ever before" to reaching agreements on nuclear arms and he believed "additional meetings would be useful."

The President made these remarks in a nationally televised speech broadcast from the Oval Office of the White House in reviewing the failure of his summit meeting with Soviet leader Mikhail Gorbachev in Reykjavik, Iceland, last weekend, due to disputes over Reagan's Strategic Defence Initiative (SDI) known as "star wars" program.

He explained that he and Gorbachev were making "promising" progress on arms control issues, including potential agreements to tally eliminate strategic weapons with 10 years and limit superpower intermediate-range missiles to 100 each, none of which would be deployed in Europe.

But the debate began on the SDI issue, Reagan continued, "the general secretary wanted wording that in effect would have kept us from developing the SDI for the entire 10 years. In effect, he was killing SDI and unless I agreed, all that work towards eliminating nuclear missiles would go down the drain -- cancelled."

However, the President said he was optimistic that a way would be found around the impasse.

"The door is open and the opportunity to begin eliminating the nuclear threat is within reach," he claimed. "We made progress in Iceland,...for the first time in a long while, Soviet-American negotiations in the area of arms reductions are moving, and moving in the right direction."

But Reagan indicated there was no guarantee that his talks in Iceland or any future discussions with Moscow would "lead inevitably to great breakthroughs or momentous treaty signings."

As for the possibility of a full-scale summit due to be held in Washington by the end of the year, he said, there was not indication by Mr. Gorbachev as to when or where he plans to travel to the United States."

"I repeat tonight that our invitation stands and that we continue to believe additional meetings woud be useful, but that's a decision the Soviets must make," he added.

RENMIN RIBAO ON U.S.-USSR TENSIONS OFF ALASKA

HK140803 Beijing RENMIN RIBAO in Chinese 10 Oct 86 p 6

[Report: "U.S., Soviet Navies and Air Forces Confront Each Other; Tension in Alaska"]

[Text] U.S. Pentagon officials said that the U.S. Air Force has recently been sending F-15 fighter planes to intercept Soviet Bear bombers over Alaskan airspace. In September alone, four Soviet bombers flew 90 miles deep into the sky off the north coast of Alaska.

The Soviet Navy, and in particular its submarines, have also increased their activities in the region. Pentagon officials said that this series of Soviet military activities is aimed at finding "blind spots" in the U.S. radar system. The U.S. Naval and Air Forces have taken corresponding measures.

Since June, the U.S. Navy has sent more aircraft carriers and Marines, while the Air Force dispatched an advance warning aircraft to patrol over Alaska, as well as installing an "over-the-horizon" radar system. The U.S. Army has also sent an additional 4,000 troops to the area.

The above mentioned incident has worried the local residents. However, there are some who deem the appearance of such a state between the United States and the USSR as not surprising at all.

FOREIGN INVESTORS TO RECEIVE PREFERABLE TREATMENT

OW131727 Beijing XINHUA in English 1600 GMT 13 Oct 86

[Text] Rimini, Italy, October 13 (XINHUA) — China will grant "more preferential treatment" to foreign investors to make their investments profitable, a senior Chinese trade official said here today.

Jia Shi, chairman of the China Council for the Promotion of International Trade, told a seminar that China is determined to cut the red-tape involved in the approval process for foreign investment projects and will strictly observe the terms of agreements signed with foreign partners.

Speaking at the Pio Manzu International Research Center, Jia outlined China's economic and trade situation, saying that since 1979 China has made us of 24.9 billion U.S. dollars of foreign capital in the form of loans from foreign governments and international financial institutions, direct foreign investments and foreign commercial credits.

Jia said here are 6,800 joint ventures, cooperative enterprises and exclusively foreign-owned enterprises in China.

Due in large part to its own economic strength, Jia said, China is active in promoting trade and technological exchanges to speed up its modernization drive.

ZHAO ZIYANG MEETS UN IFAD HEAD, NOTES COOPERATION

OW141702 Beijing XINHUA in English 1639 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) — China is satisfied with its cooperation with the International Fund for Agricultural Development (IFAD), Chinese Premier Zhao Ziyang said here today.

Ifad's cooperation with China has been very efficient and is just what China needs, zhao said.

The premier made these remarks at a meeting with IFAD President Idriss Jazairy at the Diaoyutai State Guesthouse.

IFAD is the only U.N. financial institution with Third World countries as its main members, Zhao said. "China has always supported IFAD and will continue to do so."

China is still poor, and because of its large population its per capita income is still low. Yet China will carry out its obligations limited as its financial power is.

The organization was founded in 1976 with the aim of aiding grain production in developing countries.

Zhao expressed the hope that IFAD would continue to expand its cooperation with China. The premier thanked IFAD for its aid to China and invited Jazairy to see more of China.

Jazairy said, he was happy with the good cooperation between China and IFAD, and that China's support has helped the Third World countries become stronger. IFAD has sponsored three cooperation projects in China and is going to approve one more, he said.

Jazairy is scheduled to leave here for a study tour of Hebei Province tomorrow.

WAN LI MEETS MUSLIM WORLD CONGRESS CHAIRMAN

OW101336 Beijing XINHUA in English 1329 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) -- Vice-Premier Wan Li met a delegation from the Muslim World Congress led by Chairman Marouf al-Dawalibi [name as received] here today.

Wan expressed his appreciation of the congress' efforts to maintain world peace, saying China is for world peace and progress. China hopes to strengthen its cooperation with Islamic countries, Wan said.

Dawalibi said the congress has always advocated cooperation among countries with different social systems and stood for world peace. The delegation is leaving for tours of other Chinese cities tomorrow.

BEIJING TO HOST PRC-U.S.-JAPAN SPACE SYMPOSIUM

OW141811 Beijing XINHUA in English 1445 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- Chinese, American and Japanese scientists will gather in Beijing in June next year for a symposium on the application of space technology in the Pacific region, XINHUA learned from the Chinese Astronautics Society today.

An official from the society said the symposium is aimed at promoting technical exchanges and cooperation between various countries.

Space technology is developing fast in the Pacific region, according to the official. China, Japan and India have all mastered the science of space exploration, he said.

The participants will discuss the latest space technology used in telecommunication, monitoring, remote control and rocket payloads.

Ren Xinmin, president of the Chinese Astronautics Society, will chair the meeting.

FURTHER REPORTAGE ON SINO-SOVIET CONSULTATIONS

Border Talks To Resume

OW150047 Beijing XINHUA in English 0031 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) -- China and the Soviet Union have agreed that their boundary negotiations at the level of vice-foreign ministers will be resumed in Moscow in February 1987 and the negotiations will be held in the capitals of the two countries alternately.

This was contained in a press communique on the ninth round of Sino-Soviet consultation issued here today.

This round of consultation was held in Beijing from October 6 to 14.

The next round of consultation is scheduled for April 1987 in Moscow, the communique said.

It said during this round of consultation, Qian Qichen, special envoy of the Chinese Government and vice-foreign minister, and I.A. Rogachev, Soviet special envoy and vice-former minister, continued discussing issues on normalizing Sino-Soviet relations.

The two sides exchanged views on the two countries' ties in the political, economic, trade, cultural and other fields and on some major international and regional issues of common concern, it said.

The two sides reaffirmed their sincere desire for further improving and expanding the Sino-Soviet relations.

The communique said the consultation proceeded in an earnest and frank atmosphere. The two sides held that the consultation and dialog were useful.

More on Border Negotiations

HK141437 Hong Kong AFP in English 1421 GMT 14 Oct 86

[Text] Beijing, Oct 14 (AFP) -- China and the Soviet Union have agreed to reopen border negotiations in February, a Soviet diplomat in Beijing said Tuesday.

The border talks, broken off by Beijing after Soviet troops entered Afghanistan in 1978, will be held at a vice-ministerial level, first in Moscow and then in Beijing, the diplomat added.

The agreement was made by Soviet Deputy Foreign Minister Igor Rogachev and Chinese counterpart Qian Qichen last week during the ninth round of Sino-Soviet normalisation talks, said the diplomat who requested anonymity.

Western diplomats described the development as one of the most striking signs yet of a thaw in relations between Moscow and Beijing since they opened normalisation talks in 1982, two decades after the Sino-Soviet split over ideological and strategic differences.

The Soviet and Chinese foreign ministers, Eduard Shevardnadze and Wu Xueqian, had announced their countries' intention to resume border talks when they met in New York during the United Nations General Assembly last month.

China and the Soviet Union share a 7,500-kilometre (4,650 mile) border which is contested at two points -- northeast China along the Amur and Ussuri rivers, and in northwestern Xinjiang facing Soviet Kazakhstan.

Both areas were the scene of bloody clashes between Chinese and Soviet border guards in 1969 and the 1970's.

Soviet leader Mikhail Gorbachev indicated in Vladivostok on July 28 that Moscow was ready to recognise the border with northeast China as running down the middle of the Amur and Ussuri rivers, and not on the Chinese bank as the Soviet Union had previously insisted.

Sino-Soviet border talks were regularly held, alternatively in Moscow and Beijing, from 1964 to 1978 without any concrete agreement being reached.

The Soviet diplomat said Mr Rogachev's delegation would leave for Moscow on Wednesday and added that a 10th round of normalisation talks would be held in April in Moscow.

While in Beijing, the Soviet side agreed for the first time to discuss the thorny issues of Vietnam's occupation of Cambodia and the presence of Soviet troops in Afghanistan. Both are viewed by Beijing as obstacles to restored Sino-Soviet relations.

Earlier Tuesday, a Soviet spokesman in Beijing said Mr Rogachev and Mr Qian were preparing a joint statement on the results of their talks.

Mr Rogachev was expected to help complete the draft statement here before leaving for Moscow Wednesday, said the spokesman, who described the talks as "productive" and having taken place in a "very good atmosphere."

In another development, the NEW CHINA NEWS AGENCY said Vietnam had "challenged international opinion," by refusing to withdraw its troops from Cambodia despite calls for it to do at the U.N. General Assembly.

"Hanoi's unreasonable challenge to international opinion has demonstrated it has no intention to withdraw its troops and seek a political solution to the Kampuchean problem," the agency said.

No Major Change on Cambodia

HK150330 Hong Kong AFP in English 0308 GMT 15 Oct 86

[Text] Beijing, Oct 15 (AFP) -- China and the Soviet Union are to reopen border talks in Moscow in February after an eight-year hiatus, Soviet Deputy Foreign Minister Igor Rogachev said here Wednesday.

Mr Rogachev, speaking at the airport here before leaving for Moscow, called the decision to reopen border talks "one of the most significant results" of the discussions he held here with Chinese officials of normalizing Sino-Soviet relations.

Meanwhile, Chinese Deputy Foreign Minister Qian Qichen told foreign correspondents that the ninth round of Sino-Soviet talks on normalising relations produced "no substantial change" in the Soviet position on Cambodia.

"I don't think (there was) any major change" on Cambodia, he said.

A joint Sino-Soviet statement published Wednesday by the NEW CHINA NEWS AGENCY said the border discussions would be held at the deputy ministerial level and also that the next round of normalisation talks would be held in Moscow in April.

Sino-Soviet talks on their 7,500-kilometer (4,650-mile) common border were cut off by Beijing in 1978 as a protest against the Soviet military intervention in Afghanistan.

USSR Declines Deng-Gorbachev Meet

OW150555 Tokyo KYODO in English 0540 GMT 15 Oct 86

[Excerpt] Beijing, Oct. 15 KYODO -- The Soviet Union has turned down a Chinese proposal that senior leader Deng Xiaoping is ready to meet with Soviet leader Mikhail Gorbachev, if Moscow agrees to press Vietnam to withdraw its troops from Kampuchea, a Soviet authoritative source in Beijing disclosed Wednesday.

The Soviet refusal was made by Igor Rogachev, chief delegate to the Sino-Soviet normalization talks, when he met with his Chinese counterpart Qian Qichen during the ninth round of the negotiations held here October 6-14, the source said.

Rogachev, Soviet vice foreign minister, told the Chinese side that China should hold direct negotiations with Vietnam on the matter, instead of asking the Soviet Union to press the Vietnamese, the Soviet source quoted him as saying.

The Chinese proposal was first made public by Deng in an interview with CBS of the U.S. on September 2. Deng then said he was ready to meet Gorbachev anytime and anyplace, if Moscow presses Hanoi to pullout from Kampuchea.

During the Rogachev-Qian talks, the Chinese side reportedly emphasized that Vietnam's troop pullout from Kampuchea is key to improving Sino-Soviet relations.

Rogachev also informed the Chinese that the withdrawal of six Soviet regiments from Afghanistan would begin on Wednesday, the Soviet source added.

A press communique, issued at the end of the Rogachev-Qian negotiations here, said the two countries agreed to resume their border talks in Moscow next February, the official Chinese news agency XINHUA reported.

The agreement apparently was the only substantial result from the latest round of semiannual meetings aimed at normalizing relations between the two communist powers. [passage omitted]

Rogachev Leaves for Home

OW150700 Beijing XINHUA in English 0654 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) — Soviet Government's special envoy and Vice-Foreign Minister I.A. Rogachev left here for home this morning after attending the ninth round Sino-Soviet consultation.

Rogachev and his party were seen off at the airport by Qian Qichen, special envoy of the Chinese Government, and O.A. Troyanovskiy, Soviet ambassador to China.

Responding to reporters at the airport, Rogachev said during the consultation both sides expressed a sincere desire for further improving the Sino-Soviet relations and they also discussed the situation in Indo-China.

When asked whether the Kampuchea issue was resolved, Rogachev said, it was impossible to resolve the issue in just one round of talks.

On the same question, Chinese Vice-Foreign Minister Qian Qichen said that the Soviet side now has agreed to discuss the Kampuchea issue. "But so far we haven't seen any substantial change in their position," he noted.

Rogachev and his party arrived for the consultation on October 5.

ENVOY BRIEFS SOVIET ACADEMY ON SUN SYMPOSIUM

OW141850 Beijing XINHUA in English 1650 GMT 14 Oct 86

[Text] Moscow, October 14 (XINHUA) — Soviet scholars today ended a two-day symposium on Dr. Sun Yat-sen, marking the 120th birthday of the great Chinese revolutionary forerunner.

The seminar, attended by more than 100 specialists and experts including Chinese scholars, was jointly sponsored by the Far East Institute and the Institute of Orientology of the Soviet Academy of Sciences and the Association of Soviet Sinologists.

Sergey Tikhvinskiy, Soviet academician and a noted sinologist paid a high tribute in his speech to Dr. Sun, leader of the 1911 Chinese democratic revolution.

Tikhvinskiy will attend a symposium on Dr. Sun, to be held later this month in Guangdong, China.

Liu Danian, vice president of the China Society for the Study of Dr. Sun Yat-sen, said in his speech that he and his fellow Chinese scholars saw the workshop as an opportunity to exchange results of the research. He also briefed the participants on the preparations for the coming academic gathering in China.

NORTHEAST ASIA

SINO-DPRK SPORTS EXCHANGE ACCORD SIGNED

OW141150 Beijing XINHUA in English 1051 GMT 14 Oct 86

[Text] Pyongyang, October 14 (XINHUA) -- A sports exchange agreement between the Democratic People's Republic of Korea and China was signed here Monday to further sports cooperation among the two countries.

In accordance with the agreement a variety of sports activities will be carried out in the hope of improving the sports standards in D.P.R. Korea and China and cementing the friendship among the athletes and peoples of the two nations.

XINHUA NOTES KIM Il-SONG'S COMING VISIT TO USSR

OW141220 Beijing XINHUA in English 1218 GMT 14 Oct 86

[Text] Pyongyang, October 14 (XINHUA) -- General Secretary of the Workers' Party of Korea Kim Il-song will visit the Soviet Union in late October, the Korean Central Television Station reported today.

The visit will be made at the invitation of Soviet leader Mikhail Gorbachev.

This is Kim Il-song's second visit to the Soviet Union since 1984 when he had a tour of the Soviet Union and some East European countries.

IOC DEMANDS DPRK AGREEMENT PRIOR TO OLYMPIC TALKS

OW132006 Beijing XINHUA in English 1905 GMT 13 Oct 86

[Text] Lausanne, October 13 (XINHUA) -- There will not be another round of talks between the two sides of Korea on the co-hosting of the 1988 Olympic Games until the northern side sends a written agreement to the proposal of the International Olympic Committee.

Michele Verdier, the IOC press secretary, told the international press here today that the National Olympic Committee of the Democratic People's Republic of Korea should give a written reply to the IOC proposal before another round of talk is possible.

The IOC proposal is that two sports, archery and table tennis, plus the 100 kilometer road cycling and part of the football qualifying matches be held in the northern part of Korea on the condition that there will be free access to both sides for all athletes and journalists taking part or covering the games.

An official from the DPRK is telling the IOC members and pressmen that they demand eight sports to be staged in their side, including part sports, for example, either the women's basketball or the men's basketball, or the women's volleyball or the men's volleyball.

The current session of the IOC heared a report from Raymond Gafner, administrateur delegue of the IOC, on the progress in the three rounds of talks between the northern and southern sides of Korea in Lausanne between November last year and June this year, and gave full support to the position of the IOC executive board on the matter, Michele said.

The IOC, she said, would not close the door to further talks until September 17, 1987, one year before the 1988 Olympic Games when it sends the invitations to the National Olympic Committees for participations in the Seoul Olympic Games.

Michele said that 86 IOC members were present at the Lausanne session and there would be 85 votes to decide the two cities hosting the 1992 summer and winter games. Under a decision made by the IOC Executive Board, Juan Antonio Samaranch, the IOC president, will not take part in either of the two votes.

Three IOC members passed away in the past year. They were Julian K. Roosevelt of the United States, Park Chong-kyu of South Korea and Nikolaos Nissiotis of Greece. Three members are absent. They are Mohamed Mzali of Tunisia, M.A. Abdel Gadir of the Sudan, and Cornelis Kerdel of the Netherlands.

RONG YIREN HOLDS MEETINGS IN JAPAN ON COOPERATION

OW132102 Beijing XINHUA in English 1914 GMT 13 Oct 86

[Text] Tokyo, October 13 (XINHUA) -- Japanese Minister of International Trade and Industry Hajime Tamura said today that the Japanese Government is willing to encourage the nation's enterprises to invest in more Sino-Japanese joint ventures.

Tamura made the remark in a meeting with Rong Yiren, visiting chairman of the China International Trust and Investment Corporation (CITIC), who arrived October 6 to attend the first meeting on Sino-Japanese economic cooperation.

During the October 6 to 8 meeting, Tamura said the Japanese Government is willing to encourage greater cooperation between China and Japanese firms, although such cooperation would be non-governmental.

Rong, who returns to China October 20, said he hopes China will further expand economic and technical cooperation with Japan.

PRC TO EXCLUDE POL POT FACTION FROM PEACE TALKS

OW111317 Tokyo NHK Television Network in Japanese 1000 GMT 11 Oct 86

[Text] At his meeting with the Indonesian foreign minister in New York, Chinese Foreign Minister Wu Xueqian disclosed that China has decided to exclude the Pol Pot faction, which it has thus far supported, from peace talks for the settlement of the Cambodian question.

There are now two opposing forces in Cambodia: The Heng Samrin regime supported by Vietnam and the coalition government of the three factions, including the Pol Pot faction which China has thus far supported. This is the first report that China has decided to exclude the Pol Pot faction from future peace talks.

FOREIGN MINISTRY HOPES TO RESTORE TIES WITH LAOS

BK111204 Hong Kong AFP in English 1159 GMT 11 Oct 86

[Text] Beijing, Oct 11 (AFP) -- China hopes to restore friendly relations soon with Laos but has not yet been informed of Vientiane's plans to normalize Communist Party ties with Beijing, the Ministry of Foreign Affairs said here Saturday.

The official Laos news agency KPL monitored in Bangkok on Thursday said that the Laotian Communist Party (LCP) had approved plans on Tuesday to normalise relations with the Chinese Communist Party (CCP).

"We have not yet seen any official reporting in this regard," a Foreign Ministry spokesman said, adding that "The Chinese Government has always maintained a positive attitude towards the improvement of relations between China and Laos.

"We sincerely hope that the friendly relations between the two countries will soon be restored and developed through the joint efforts of the two sides," the spokesman said.

Relations between the two countries reached an all-time low following the brief but bloody Sino-Vietnamese border conflict in 1979.

At the time Laos expelled all Chinese advisors working in the landlocked Indochinese nation and the Chinese Embassy in Vientiane was reduced to five people.

Vientiane's plans to restore party-to-party links with the CCP, adopted at the LCP's 11th party plenum earlier this month, must still be approved at the LCP's next congress, the KPL report said.

KPL described the move as an "important contribution" to ensure peace in Southeast Asia.

There are some 40,000 Vietnamese troops in Laos, which has long-accused China of supporting rebels in the country and of provoking clashes along their 300 kilometre (186 mile) common border. Beijing has denied the accusations.

Western diplomats have noticed in recent months a mutual desire by the two countries to improve their relations.

Observers here believe that China is very interested in seeing a thaw in relations with Laos which, if normalised, would allow it to get a foothold in the pro-Soviet Indochinese triangle of Hanoi, Phnom Penh and Vientiane.

PRC NEW ZEALAND'S LARGEST EXPORT MARKET

OW150732 Beijing XINHUA in English 0634 GMT 15 Oct 86

[Text] Wellington, October 15 (XINHUA) -- China is now New Zealand's largest export market, Overseas Trade and Marketing Minister Mike Moore said today.

In a press statement issued here this morning, Moore said China "would become increasingly important to New Zealand as a trading partner as both economies developed their full potential."

Two-way trade between the two countries increased by 37 percent over the past two years, he noted.

It is noteworthy that China has recently applied for rejoining the General Agreement on Tariffs and Trade (GATT) at a time when preparations are being made for a new round of multilateral trade negotiations, the minister noted.

Earlier this morning, Moore met a Chinese trade delegation which came here to attend the 10th session of the Sino-New Zealand Joint Trade Commission. The commission meeting closed Tuesday.

NEW ZEALAND MINISTER PRAISES 'LINKS' WITH PRC

OW141819 Beijing XINHUA in English 1551 GMT 14 Oct 86

[Text] Wellington, October 14 (XINHUA) -- New Zealand and China have succeeded over the past few years in strengthening their political, economic, commercial, scientific and cultural links, said Minister of Internal Affairs Peter Tapsell today.

Speaking at a dinner he gave on behalf of Prime Minister David Lange in honor of the visiting Chinese youth delegation this evening in Auckland, Tapsell said "people-to-people contacts have expanded and New Zealand and Chinese have come to know each other better."

Tapsell said international understanding is one of the keys to maintain international peace and security and he expressed his belief that Sino-New Zealand friendly relations will strengthen day by day in future.

The 16-member Chinese youth delegation led by Shei Guangnan, vice-president of All China Youth Federation and vice-chairman of Chinese Musicians Association, arrived in Auckland this afternoon for an 11-day visit to New Zealand at the invitation of the New Zealand Government.

Members of the delegation include artists, journalists, cadres of the youth federation and government ministries from different provinces of China. They are paying a return visit to New Zealand.

A New Zealand youth delegation visited China in Novermber 1985.

MALAYSIAN BUILDERS OPTIMISTIC ON TRADE WITH PRC

OW102204 Beijing XINHUA in English 1937 GMT 10 Oct 86

[Text] Hong Kong, October 10 (XINHUA) — A delegation from the Master Builders Association of Malaysis (MBA) which concluded its 25-day mission to China recently sees bright prospects for more direct trade and construction ventures between Malaysia and China, reported the Malaysian news agency BERNAMA today.

In a statement issued in Kuala Lumpur following the mission beginning Septmeber 10, MBA said that given government support, Malaysian master builders and businessmen can help to promote economic cooperation in both countries.

The 30-member delegation visited several Chinese cities at the invitation of China Civil Engineering Construction Corporation. The visit is believed to be their first private sector business development mission to China with government blessings.

Among the immediate fruits of the visit was a letter of intent signed between a MBA member and the Fujian Petrochemical Industry Company to establish a joint venture to extract barium products for export.

DENG XIAOPING MEETS FORMER AUSTRALIAN PREMIER

OW130812 Beijing XINHUA in English 0800 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — As China develops, the relationship between China and the countries in Asia and the Pacific region will be strengthened rather than weakened, China's senior leader Deng Xiaoping said here today.

Deng, chairman of the Communist Party Central Advisory Commission, said China will do whatever is beneficial to those countries.

Deng made the remarks at a meeting with a delegation from the Australia-China Council led by Edward Gough Whitlam, former Australian prime minister and the council's chairman.

Asked to envisage China's role in the future economic cooperation in the Pacific region, Deng said China practices an open policy and it is certainly open to the countries in Asia and the Pacific region. He expressed his satisfaction over the current cooperation between China and those countries.

Deng called Whitlam "an old friend," recalling that China and Australia established diplomatic relations in 1972 during Whitlam's office.

The fact that there are no problems between the two countries makes their cooperation in a wide range of fields possible, Deng said.

Whitlam said the Australians attach great importance to developing relations with China.

Deng briefed his guests on China's program for economic development.

Although China is playing a limited role, Deng said, it is an important force in maintaining world peace. China follows an independent policy of peace, he said, and when it becomes developed it will be able to make greater contributions to world peace.

China has always regarded itself as part of the Third World and will remain so after it becomes developed, he said. It is still poor and can therefore do little for its poor friends in the Third World. When it is developed in the future it will do more for its friends and play a much greater role in solving the South-North problem.

Present on the occasion was Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries.

The delegation arrived October 11 at the invitation of the association.

RENMIN RIBAO ON 'UNITY' OF DEMOCRATIC KAMPUCHEA

HK130855 Beijing RENMIN RIBAO in Chinese 10 Oct 86 p 6

["Random Notes" by Sai Bei (1049 0554): "Unity Is a Magic Weapon"]

[Text] The eighth communique on achievements in rainy season fighting issued by the National Army of Democratic Kampuchea shows the current situation concerning the Cambodian battlefield is as follows: The National Army of Democratic Kampuchea has penetrated deep into inland areas, turning the rear of the Vietnamese Army and the bogus Phnom Penh army into the frontline, and directly attacking or threatening the major cities and communications lines they hold, with no small achievements scored in fighting. This has made more elusive the Vietnamese aggressor forces' pipedream of full occupation of Cambodia. On the other hand, this victory has strengthened the unity and cooperation of the resistance forces of three sides of Democratic Kampuchea. Encouraging and arousing more Cambodian people to join in the anti-Vietnamese struggle and, at the same time, shaking the confidence of and disintegrating the bogus army of Phnom Penh. This situation was not expected by the Vietnamese regime when it vigorously attacked the base of the National Army of Democratic Kampuchea in its dry season offensive last year.

The appearance of such a situation of the Cambodian battlefield is a result of the unity for the three sides of Democratic Kampuchea in fighting and is no mean achievement. In points to one truth: Unity is a magic weapon of a weak nation in resisting foreign aggression. With it, people can devote all their strength to defeating a strong enemy, reversing a situation, and turning an unfavorable situation into a favorable one, with victory achieved.

Therefore, disruption of the unity of the three sides of Democratic Kampuchea in an attempt to weaken and exhaust its forces through internecine conflict is the very trick played by the Vietnamese regime in its ploy of a so-called "proposal" for "three nations of Indochina." But the situation on the battlefield is causing this ploy to collapse by itself. Since the beginning of this year, people have noted that the three sides of Democratic Kampuchea have become better united and full of life and full of confidence, while the Vietnamese regime and the puppet Phnom Penh regime have been in a depressed state, running around and looking for a way out. One side is on the ascent, and the other is on the decline. The report by the Natonal Army of Democratic Kampuchea on rainy season fighting provides a very good basis for such a sharp contrast.

RENMIN RIBAO NOTES SRV WITHDRAWAL FROM CAMBODIA

HK101018 Beijing RENMIN RIBAO in Chinese 9 Oct 86 p 6

["Jottings" by Rong Jiu (2837 0036): "A New Interpretation of the Vietnamese 'Troop Withdrawal'"]

[Text] Vo Dong Giang, a member of the Vietnamese Council of Ministers, said at the UN that Vietnam will withdraw its forces from Cambodia in 1990 on condition that Heng Samrin's armed forces "will be strong enough to ensure the security of their country." Judging from what he said, it will be impossible for the Vietnamese aggressors to withdraw from Cambodia because this condition will never be met.

In the past 8 years, the Vietnamese authorities have always wished that Heng Samrin's puppet troops would be "strong" enough to "ensure" that Vietnam's aggression against Cambodia would become an "irreversible" fact. However, things have gone contrary to their wish. Under the heroic resistance of the Cambodian poeple, the morale of the puppet officers and soldiers has become increasingly lower and incidents of changing sides, mutiny, and desertion are increasing. Even Heng Samrin's nephew has fled from Phnom Penh to join the struggle against Vietnam. A substantial portion of the puppet forces have directly or indirectly become anti-Vietnamese forces. Apparently, sayings such as making the puppet forces "strong" are no more than talking in one's sleep.

Nevertheless, what Vo Dong Giang said provides an interpretation of Hanoi's so-called 1990 troop withdrawal: Since it is impossible to "ensure" "security," there is no way to talk about Vietnam's troop withdrawal in 1990. Indulging in unbridled propaganda for something they can never do and do not want to do is simply a trick of the Vietnamese authorities to oppose the UN resolution and the world's public opinion.

However, the development of the situation will never let the Vietnamese aggressors have their wish. In the past 8 years, Cambodia's armed resistance forces have become stronger with each passing day instead of having been wiped out and the guerrilla war has spread throughout the country. The anti-Vietnamese of the people there will never stop so long as the Vietnamese aggressor troops have not withdrawn from Cambodia. There will never be a paradise for aggressors in Cambodia. If the Vietnamese forces hang on and refuse to clear out, they will sooner or later be driven out by the Cambodian people.

HU YAOBANG SENDS CONDOLENCES FOR INDIAN DOCTOR

OW131110 Beijing XINHUA in English 1046 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — Chinese Leader Yu Yaobang today condoled with the All India Dr. Kotnis Memorial Committee on the death of its president and founder Dr. B. K. Basu.

In a message to the committee, the general secretary of the Chinese Communist Party said that Dr. Basu is a good son of the Indian people and a respected old friend of the Chinese people.

"He has made valuable contributions to the national liberation cause of the Chinese people and has made concerted efforts in promoting the understanding and friendship between the Chinese and Indian peoples," Hu said.

Dr. Kotnis, who helped the Chinese people during World War II in their war against Japanese aggression, enjoys great popularity in China.

"I believe," Hu said, "that the traditional friendship between the two peoples, to which Dr. Basu had worked to promote all his life, will be further consolidated and developed."

Other Chinese leaders sending condolence messages are Peng Zhen, chairman of the Standing Committee of the National People's Congress and Nie Rongzhen and Ye Jianying, vice-chairmen of the Military Commission of the Central Committee of the Chinese Communist Party.

The Chinese leaders in their messages expresed their deep condolences to the family and relatives of the deceased, on behalf of the Chinese people.

ULANHU PRESENTS TURBOGENERATORS TO NEPAL

OW142002 Beijing XINHUA in English 1853 GMT 14 Oct 86

[Text] Katmandu, October 14 (XINHUA) — Chinese Vice-President Ulanhu has presented two water-turbogenerators to the Nepalese King Mahendra Trust for Nature Conservation.

In a press release the trust said the generators will provide a source of electric power in an area where firewood had been used formerly.

It added that water-turbogenerators conform with the trusts's aims of utilising the kingdon's ample unused water resources and at the same time reducing the demand on the increasingly scarce forest resources.

The generators will be placed in Sagarmatha National Park and Annapurna conservation area in the northern country where thousands of small rivers and streams are unused so far.

The King Mahendra Trust for Nature Conservation is an autonomous, non-governmental and non-profit organization established in 1982 for the purpose of conserving and managing the country's nature and resources. King Birendra is its patron while Prince Gyanendra is the chairman.

QUEEN ELIZABETH CONTINUES HISTORIC VISIT TO PRC

Gives Reception for Press

OW310716 Beijing XINHUA in English 0644 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — British Queen Elizabeth II and her husband Prince Philip today gave a reception at the Diaoyutai State Guest House for Chinese and foreign pressmen covering the queen's China visit.

The reception was held in the "Four Season" Hall of the guest house's Villa 18, remodeled for the British monarch's current visit.

About 200 journalists from China, Britain and Hong Kong attended the 45-minute function. They were presented to the royal couple at the entrance to the hall.

It was an unusual occasion for the correspondents — they were told not to bring cameras, recorders or notepads with them.

The newly completed villa is a two-storeyed building with an antique flavor. Its walls are covered with unglazed grey face bricks, in striking contrast to the glistening glazed roof.

In an environment of osmanthus and pomegranate trees, the front gate of the villa is guarded on either side by a gild-bronze lion, said to date back hundreds of years.

Visits Temple of Heaven

OW131138 Beijing XINHUA in English 1104 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — British Queen Elizabeth II and her husband Prince Philip today learned how Chinese emperors prayed for good harvests at the Temple of Heaven in Beijing.

Built in 1420, the Temple of Heaven in southern Beijing covers an area of 273 hectares, thrice the size of the Forbidden City. It is the biggest complex of altars and temples in China, where emperors of the Ming (1368 - 1644) and Qing (1644 - 1911) dynasties used to hold rituals, worshipping heaven and praying for good harvests. It opened to the public in 1925.

When the queen and her husband drove to the temple from the Palace Museum this afternoon, about one thousand tourists lined the road to greet them.

In the Hall of Prayer for Good Harvests, the British monarch looked up to the ceiling of the hall and asked why there was no dragon on that. The guide told her there was one outside the hall.

And sure enough, when the queen stepped down the staircase outside the hall, she saw a dragon carved in relief on the marble slab between the two flights of stone staircase.

Proceeding southward along a straight stone walk, the queen asked in which direction did the former emperors come to the hall. The guide told her that the emperors entered the gate of prayer for good harvests from the south.

Entering the gate in front of the Imperial Vault of Heaven, the queen marvelled at the roofs of deep blue glazed tiles of the hall, the side halls and the surrounding walls.

Having walked about a kilometer, the queen came to the center of the circular mound altar. She was told that in the old days the figure nine was considered as the most powerful number, so the altar was constructed with nine of multiples of nine stone slabs to represent infinity.

At the moment, the clouds dispersed and the altar was bathed in bright sunshine. For better shots, photographers asked the queen to face the sun. And with a smile, the British monarch complied.

Tours Beijing Palace Museum

OW130909 BEIJING XINHUA in English 0851 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — British monarch, Queen Elizabeth II and her husband Prince Philip, the Duke of Edinburgh, visited the former Imperial Palace, also known as the Forbbiden City, here this afternoon.

Located in the center of the city proper, the magnificent imperial residence with red walls and yellow-glazed tiles, served as the home of 24 emperors of the Ming and Qing dynasties (1368-1911).

Covering 720,000 square meters, the palace, now a museum, is composed of more than 9,000 rooms and is 560 years old.

Accompanied by Yu Jian, deputy curator of the Imperial Palace, the royal couple visited halls where emperors were enthroned, summoned civilian and military officials and handled day-to-day government business. They also visited other rooms only open to distinguished guests.

The queen highly praised the exquisite architecture of the palace. "She was also very interested in the cultural relics in the museum, including rare 18th-century clocks and astronomical instruments made in Britain and presented to Qing emperors," Yu Jian told XINHUA.

"Two clocks shown to the queen are among the only three in the world which show the hour, minute and date on both the solar and lunar calendar while playing music," Yu said.

The queen also toured the imperial garden in the palace where paths were built with pebbles forming more than 700 patterns.

Althought the surfaces are difficult to protect, the queen said, effort should be made to preserve them.

After the visit, Yu Jian presented the queen with an "album of the Forbidden City." The queen said she was pleased to have had the chance to visit the palace.

Li Xiannian Speaks at Banquet

OW131300 Beijing XINHUA in English 1242 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — The current visit of the British Queen Elizabeth II to China, "a logical result of the all-round and rapid growth of Sino-British relations, will give a powerful impetus to the deepening of relations between the two countries and enhancement of friendship between the two peoples," Chinese President Li Xiannian said here this evening.

Speaking at a state banquet he gave for the British queen and her husband Prince Philip, the Chinese president said that there was a long history of contacts between China and the United Kingdom and since the founding of New China, bilateral exchanges had increased steadily in various fields and there had been an ever-growing mutual understanding and trust between them.

Speaking of the satisfactory settlement of the Hong Kong issue by the two governments in 1984, Li Xiannian said that this not only ushered in a new historical period in their bilateral relations, but also set a good example of settling disputes between states through peaceful negotiations.

In a short span of two years since agreement was reached, the Chinese president added, encouraging progress has been made in the relations between the two countries.

Following Prime Minister Thatcher's visit to China, he recalled, Premier Zhao Ziyang and party General Secretary Hu Yaobang made successful visits to the United Kingdom.

Trade between the two countries has grown steadily, and economic and technical cooperation has continued to increase and expand, he said, adding that recently agreements have been signed on major economic cooperation projects such as the nuclear power station in Guangdong and bilateral scientific and technical, cultural and educational exchanges have been on the rise.

To develop friendly relations and cooperation with the United Kingdom constitutes an important part of China's external relations, the Chinese president said, adding that the British people, a great people full of wisdom and creativeness, have made outstanding contributions to human civilization and social progress.

As a permanent member of the U.N. Security Council and member of the European Community and the Commonwealth, the United Kingdom is playing an important role in international affairs, the Chinese leader said.

He stressed: "China and the United Kingdom have common interests and responsibilities in defending world peace and maintaining the stability and prosperity of Hong Kong through the all-round implementation of the Sino-British Joint Declaration. Our two sides, at different levels of economic development, can complement each other, and enhance and strengthen our relations of friendship and cooperation on an enduring and steady basis. We are ready to work with the British Government and people in a persistent effort towards this goal."

Queen Comments on Relations

OW131318 Beijing XINHUA in English 1310 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- Relations between the United Kingdom and the People's Republic of China are closer than they have ever been, British Queen Elizabeth II said here today.

The British monarch made the comment at a state dinner Chinese President Li Xiannian gave in her honor in the Great Hall of the People.

"This owes much to the settlement worked out between us for the future of Hong Kong. Both our countries are committed to doing everything possible to maintain Hong Kong's continued stability and prosperity," the queen said.

The Joint Declaration signed nearly two years ago demonstrated to the international community how political differences between nations can be resolved through patient negotiation, she said.

The conscientious efforts of both sides during the past two years have been dedicated to the full and smooth implementation of the Joint Declaration, she said.

"I am confident that the cooperative spirit which has been built up in this way will continue to provide a reliable basis for the imaginative policies which are enshrined in that document," the queen said.

She said Prince Philip and she welcome the opportunity to see what the Chinese people are achieving now, and to meet some of the people behind those achievements. China's policies of modernisation and reform attract very great interest in her country. The British people greatly admire the advances China has made in agriculture, industry, education, public health, science and technology.

"We in the United Kingdom are ready and -- we believe -- able to contribute to the realisation of China's plans for the future. We shall be happy to work with you, particularly, where our own experience is richest," she added.

The United Kindom, she said, like China, wants, and is working for, world peace. Both countries are members of the United Nations Security Council. Both have, in consequence, world-wide responsibilities. "There is much we can, and must, do together to promote peace and stability in the world," she said.

Announces Fellowship Fund

OW131706 Beijing XINHUA in English 1612 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- British Queen Elizabeth II tonight announced the establishment of the Royal Society's "Royal Fellowships for China."

Speaking at a banquet the Chinese President Li Xiannian gave for the queen and her husband Prince Philip, she said she would like to to mark this happy occasion of their China visit by this announcement.

These fellowships will cover the most challenging areas of research, she said. The queen expressed the hope that under this program, China will send some of its best scientists to work with Britain's best scientists and, through them, forge links not only with the United Kingdom but also with Britain's partners in Europe, the Commonwealth and throughout the English-speaking world.

After her speech at the banquet, the queen presented the Chinese president with a scroll on the fellowships. On behalf of the Chinese people, Li thanked the queen and the British people for this.

Zhao Ziyang Attends Banquet

OW131446 Beijing XINHUA in English 1435 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — Both Chinese President Li Xiannian and British Queen Elizabeth II noted here tonight that since the satisfactory settlement by the Chinese and British Governments in 1984 of the Hong Kong issue, encouraging progress has been made in the relations between the two countries.

They said this at a banquet Li gave for the queen and her husband Prince Philip, the Duke of Edinburgh here tonight.

The two heads of state toasted the lasting friendship and the ever closer and deeper cooperation between the two countries.

Chinese Premier Zhao Ziyang attended the banquet.

The banquet started at 7:30 this evening as the queen and her husband entered the hall accompanied by President Li Xiannian and his wife Lin Jiamei.

Li described the queen's current visit to China as an important milestone in the annals of Sino-British relations.

In response, the queen said that her visit to China represents the fulfillment of a hope which she has cherished for a long time.

During the banquet, the military band of the Chinese People's Liberation Army played classic and folk Chinese and British music.

Present were Sir Geoffrey Howe, secretary of state for foreign and commonwealth affairs, and Lady Howe; who are accompanying the queen on the visit.

Also present at the banquet were Geng Biao, vice-chairman of China's National People's Congress Standing Committee; State Councillor Ji Pengfei; and State Councillor and Foreign Minister Wu Xueqian.

Li Presents Gifts To Queen

OW131657 Beijing XINHUA in English 1646 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — Chinese President Li Xiannian presented the visiting British queen, Elizabeth II, with two gifts here tonight.

One is an imitation, five times smaller, of the bronze chariot and horses of the Qin dynasty (221-207 B.C.), unearthed from a place near Xian. The other is an embroidered portrait of the queen.

Li also presented Prince Philip with a painting done by the Chinese painter Wu Zuoren "Panda and Bamboos (glossy leaf Chinacane)" and an album of stamps.

Prince Philip is president of the World Wildlife Fund. It is learned that he will visit China again later this month in his capacity of the fund president.

Earlier today, the queen, in her own name, presented the Chinese people with a set of baby respirator [as received].

Wu Xueqian Accompanies Queen

OW132004 Beijing XINHUA in English 1853 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — The visiting British Queen, Elizabeth II, was entertained here tonight with a theatrical program of dances, songs and operas.

The soiree, specially organized by the Chinese Ministry of Culture, followed a grand welcome banquet.

Accompanied by Chinese State Councillor and Foreign Minister Wu Xueqian and Vice-Minister of Culture Liu Deyou, the queen entered the auditorium in the Great Hall of the People amidst a warm applause by other audience present.

The first item was "Evening Party" by Chinese composer He Luding and "Military Marches" by British composer Edward William Elgar, both played by China's Central Philharmonic Symphony Orchestra.

This was followed by pieces from the Italian opera "Tosca" by Chinese soprano Wang Yanyan, an international-prize winner.

The program also included some solo dances.

Chinese actors and actresses also performed some parts of the "Much Ado About Nothing", presented in the form of Huangmei opera popular in the east China province of Anhui.

At the end of the performances, the British queen and her husband Prince Philip walked onto the stage and presented the performers with a basket of flowers.

Earlier today, Prince Philip saw the Beijing heavy-duty truck manufacturing plant which produces mining dump trucks with technology imported from Aveling Barford International Ltd. of the United Kingdom.

The prince was shown around the assembling workshop and there he saw Chinese workers assembling a RD030 truck and tried a new, orange one for some 30 meters himself.

Hu Yaobang Meets Queen

OW140652 Beijing XINHUA in English 0645 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang met with British Queen Elizabeth II and her husband Prince Philip at Zhongnanhai here this morning.

The British queen gave a luncheon for the Chinese leader in the Buckingham Palace when he visited the United Kingdom last June.

Hu greeted the queen and Prince Philip with a warm handshake at the gate to the meeting room, saying that "I'm very glad to welcome Your Majesty the Queen and His Royal Highness the Prince."

The queen said that she was very glad to be in China.

She told Hu that she and her husband enjoyed their stay in Beijing.

Hu Yaobang recalled his happy days in Britain last June, adding that his task today was to assist the Foreign Minister Wu Xueqian in making the queen's stay in China as enjoyable as possible.

Queen Elizabeth said that there were many things for her to see in China although her current visit to the country was short.

Noting that China is a vast country, Hu Yaobang said, there weren't many modern things to see but a great deal of ancient sights and things to view. "While in Britain, I remember your majesty saying you would visit China twice," he said.

The queen responded, "If possible, it would be nice." Hu's visit to Great Britain left a beautiful impression with the British people, she added.

Turning to the British Foreign Secretary Geoffrey Howe, Hu Yaobang praised him as an outstanding diplomat, and asked him to convey his best regards to Prime Minister Margaret Thatcher and all the other friends he had made in Great Britain.

More on Hu Yaobang Meeting

OW140704 Beijing XINHUA in English 0656 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang and the visiting British Queen, Elizabeth II, spent eighty minutes together here this morning, recalling personal friendship and looking forward to future development of Sino-British relations.

At the end of the meeting, Hu Yaobang guided the queen and her husband Prince Philip on a tour of Zhongnanhai, the headquarters of the Chinese Communist Party Central Committee and the Chinese Central Government.

A spokesman for the Chinese Foreign Ministry told reporters that during the meeting, Hu thanked the queen for announcing the establishment of the Royal Society's "Royal Fellowships for China", which, he said, reflected the desire to further Sino-British friendship.

The queen was quoted as saying that the fellowships would be of some help to China.

At the beginning of the meeting, Hu recalled his happy days in Britain last June when he made many friends there.

Queen Elizabeth II said that Hu's visit to the United Kingdom left a beautiful impression with the British people.

The queen also said that she and her husband enjoyed their stay in China, adding that there were many things for her to see in China although her present stay was short.

The Chinese leader remarked that the Sino-British relations were at their best, adding that the relations would continue to grow.

UK Fellowships Praised

OW140542 Beijing XINHUA in English 0112 GMT 14 Oct 86

[Text] London, October 13 (XINHUA) -- The royal fellowship scheme, presented by Queen Elizabeth II earlier today in Beijing as a gift to the Chinese people, was very good news for the scientiests of both China and Britain, Royal Society President Sir George Porter said here this afternoon.

Professor Porter, a world-famous chemist and Nobel prize winner, told a press conference here that the new one-million-pound (1.5 million U.S. dollars) scholarship program would enable young Chinese scientists of post-doctoral or equivalent level to undertake periods of research in British laboratories.

This major scheme, he said, would be administrated by the Royal Society in collaboration with its Chinese partners, the Chinese Academy of Sciences and the China Association for Science and Technology. It would provide about 30 one-year awards offered each year for three years from January 1987, he added.

The professor, who has visited China four times, recalled the century-long scientific contacts between Britain and China and the ever-expanding scientific exchanges over the past decade.

The new fellowships announced by the queen on her state visit to China were in recognition of the importance now attached by both countries to their scientific cooperation to their long-term benefits, he said.

Lord Rhodes, the 91-year-old former labor minister who has led parliamentary delegations to China four times in the past eight years, told the press conference how he had initiated the idea of creating the royal fellowship scheme.

He also mentioned the donations given by the Chinese community in Manchester, one of the major industrial cities in Britain.

Both Professor Porter and Lord Rhodes expressed their sincere hope that the new scholarship program would contribute to the good relations and friendship between the British and Chinese peoples.

Deng Xiaoping Meets Queen

OW141056 Beijing XINHUA in English 1048 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- China's senior leader Deng Xiaoping said here today that with the successful settlement of the Hong Kong issue the task facing China and Britain now is to develop their relations and cooperation and friendship between the two peoples.

At a meeting with Queen Elizabeth II and her husband Prince Philip at the Diaoyutai State Guesthouse, Deng said that the queen's current visit will surely promote the growth of Sino-British relations.

Deng told the queen, "Please accept welcome and regards from and elderly Chinese," adding that the fine weather that Beijing has been in these days also added a sign of welcome.

The queen said she was long looking forward to visiting China.

Deng said he came to know of London's fog as a young man. "I was told about the famous fog in London when I was in Paris. And I went up the Eiffel Tower twice, trying to get a glimpse of London." The 82-old-year Deng said jokingly that since the climate in Beijing is a bit too dry, it might be a good idea for the city to share the wet climate with London.

Prince Philip said the fog was the product of Britain's industrial revolution and there is no fog now in the British capital. He smiled, adding that London might share rain with Beijing, in exchange for some sunshine.

Deng told his guests that Beijing used to be quite dusty and now it had made some improvements in environmental protection.

When the queen mentioned that she would visit some other Chinese cities, Deng said the route that the distinguised guests would follow -- Shanghai, Xian, Kunming and Guangzhou -- was indeed a good one.

Deng then offered some information about local conditions and customs in some Chinese cities.

The meeting was followed by a luncheon featuring Chinese cuisine, maotai and rice-wine. Deng asked the queen whether she would use chopsticks or not. The queen said she would just try.

Deng toasted the health and longevity of the queen and his [as received] husband as well as the growth of bilateral relations.

Queen Visits Kindergarten

OW140910 Beijing XINHUA in English 0902 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- British Queen Elizabeth II accepted a portrait of her in crayon from a five-year-old Chinese boy at a kindergarten here this afternoon.

The queen spent some 40 minutes with 400 Chinese kids at the "June 1" kindergarten near the summer palace after dining with senior Chinese leader Deng Xiaoping.

When the queen, accompanied by Mayor of Beijing Chen Xitong, arrived at the kindergarten, she as greeted by children waving bouquets and colorful balloons and ribbons.

The largest in the city, the "June 1" kindergarten covers 8,000-plus square meters. Over 400 kids aged between 3.5 and 5.5 are looked after by more than 100 teachers.

The queen watched the children learning music, drawing and reading. She was impressed by the kids' sense of music and ability to express themselves.

In one classroom, the British monarch watched the children draw pictures and make toys.

Under a wistaria pavilion, the queen watched a performance by the children, which they had been rehearsing since September.

Their performance of the British nursery rhyme "The Children of a Far Distant Land" and "Auld Lang Syne" won applause from the queen.

After the performance, the British monarch shook hands with the kids in goodbye. Yao Shuping, former director of the kindergarten, presented her with an album containing color pictures of the children and their paintings. Yao also gave the queen two children's readings as a gift to her two grandsons.

Meanwhile, the queen's husband prince Philip visited a management training center for economic cadres under China's State Economic Commission in western Beijing.

The center is run in cooperation with the European Community.

Queen, Prince Visit Great Wall

OW141142 Beijing XINHUA in English 1127 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) — Visiting British Queen Elizabeth II found the Great Wall the most fantastic of the many places she had been to, when she ascended this world-famous engineering feat here this afternoon.

The British queen and her husband Prince Philip drove to the Great Wall this afternoon. They had meetings with Chinese leaders Hu Yaobang and Deng Xiaoping earlier in the day.

The royal couple arrived at a section of the Great Wall at Badaling, about 75 kilometers northwest of the Chinese capital, at 3:40 p.m. The local temperature was 15 degrees centigrade.

When Beijing Mayor Chen Xitong who accompanied them told the queen that the Mutianyu section, some 170 kilometers northeast of Beijing, was even more fantastic, the queen responded with a smile that she would go next time.

The queen, wearing a violet dress and hat, and her husband got as far as the third beacon tower after covering some 400 meters, and there she took out a camera and took several pictures of the scenery and tourists. The royal couple posed for pictures by the press covering her and her entourage.

The Great Wall, one of the several engineering wonders in the world, was first built about 2,000 years ago. From its starting point at Jiayuguan Pass in northwest China's Gansu Province, the Great Wall crosses northern China from West to east ending at Shanhaiguan Pass on the Gulf of Bohai. Known in China as the "ten thousand li (five thousand kilometers) wall," it actually stretches for more than six thousand kilometers.

The wall rises and falls, twists and turns along the Yanshan and Yinshan Mountains, averaging 7.8 meters high and 6.5 meters wide at the base and 5.8 meters at the top.

When Chen Xitong told the queen how the Great Wall was built, she commented that the project was indeed very great.

The section the royal couple saw today is the best-preserved part, which attracts millions of tourists from home and abroad every year and tens of thousands a day during the peak seasons.

Today, many Chinese and foreign tourists remained on the site to see the queen and gave them a warm applause as the queen and her husband descended at 4.05 p.m.

Guo Jianhua, head of the Badaling Administrative Office of the Great Wall who guided the royal couple on the tour, presented them each with a certificate to commemorate their ascent. The certificates bear a design of the wall and the date of their ascent.

Zhao Ziyang Meets Queen

OW141604 Beijing XINHUA in English 1540 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) — Chinese Premier Zhao Ziyang visited the British Queen, Elizabeth II, and her husband Prince Philip, the Duke of Edinburgh, at the Diaoyutai State Guesthouse here tonight.

According to a Chinese Foreign Ministry spokesman, Zhao told the distinguished British guests that the smooth growth of the Sino-British relations is inseparable from the interest shown by the queen, the prince and the royal family as a whole. The queen noted that its smooth growth was very important.

Zhao said China welcomes the queen and the prince to visit China again in the future.

Prince Philip said this time they visit China's big cities, next time they will tour China's rural areas.

Zhao said the royal couple's current visit constituted a milestone in the annals of Sino-British relations and would exert a far-reaching influence on the friendship and cooperation.

The queen said her current visit would help deepen her understanding of China and its people.

Ji Pengfei, Howe Meet

OW131600 Beijing XINHUA in English 1532 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — Chinese State Councillor and Director of the Hong Kong and Macao Affairs Office under the State Council Ji Pengfei met British Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe here today.

Both Ji and Howe expressed satisfaction with the smooth progress in implementing the Sino-British Joint Declaration on the Hong Kong issue.

Howe is accompanying the queen on her visit to China.

Ji and Howe also exchanged views on ways of further implementing the declaration and of maintaining Hong Kong's stability and prosperity.

A spokesman for the Foreign Ministry told reporters that the meeting proceeded in a cordial and friendly atmosphere.

Howe described the queen's current visit to China as very important, as it will result in a better understanding of China.

Ji said the Chinese people are delighted to have received the queen. This is a major event in the annals of Sino-British relations, he added.

Wu Xueqian Breakfasts With Howe

OW141108 Beijing XINHUA in English 1104 GMT 14 Oct 86

[Text] Beijing October 14 (XINHUA) — Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian had a working breakfast here today with Geoffrey Howe, secretary of state for foreign and commonwealth affairs of the United Kingdom, who is accompanying the British queen on her visit to China. The two foreign ministers discussed international issues of common concern and bilateral relations in a friendly atmosphere.

Queen Tours Ming Tomb

OW141726 Beijing XINHUA in English 1453 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) — The visiting British Queen, Elizabeth II, toured Chang Ling, the earliest of the 13 Ming tombs (tombs of 13 Ming dynasty emperors), 40 kilometers northwest of Beijing, here today. Earlier, the queen toured a section of the Great Wall.

The tomb was built in 1413, and it has not been unearthed yet. The Queen and her husband Prince Philip, accompanied by Beijing Mayor Chen Xitong, visited a hall above the ground. There they were greeted by young men and girls acting as court guards and maids of the Ming times.

On display in the hall were court costumes and other cultural relics unearthed from a nearby Ming tomb.

Queen Arrives in Shanghai

OW150720 Beijing XINHUA in English 0716 GMT 15 Oct 86

[Text] Shanghai, October 15 (XINHUA) -- British Queen Elizabeth II and her husband Prince Philip, accompanied by Chinese Foreign Minister Wu Xueqian and his wife, arrived in Shanghai from Beijing today.

The chartered plane landed at the city's Hongqiao airport at 12:00 hours.

The queen and her party were greeted by Shanghai Mayor Jiang Zemin and his wife as well as 1,500 local people.

The mayor is to host a banquet in honor of the British queen and her party at a guest house in the western suburbs of the city.

The queen is being accompanied by British Foreign Minister Geoffrey Howe and his wife.

Shanghai Mayor Hosts Banquet

OW150908 Beijing XINHUA in English 0845 GMT 15 Oct 86

[Text] Shanghai, October 15 (XINHUA) -- British Queen Elizabeth II and her husband Prince Philip were entertained to a banquet hosted by Shanghai Mayor Jiang Zemin soon after their arrival here from Beijing.

In her toast, the queen thanked the Shanghai people for the warm welcome accorded her and prince Philip.

When the queen and her party drove from the airport to the guest house, local people by the roadside greeted them with warmth.

The queen said that she had long been looking forward to visiting the famous city of Shanghai.

Mayor Jiang, who spoke first at the banquet, extended the warmest welcome to the royal couple on behalf of Shanghai's 12 million people. He wished for continued enhancement of the friendship between the Chinese and British peoples.

The queen also had a chat with a group of local musicians who had performed in the course of the banquet. The queen said that she was very interested in Chinese national music.

PLA NAVAL COMMANDER MEETS UK SHIP CAPTAINS

OW150121 Beijing XINHUA in English 1733 GMT 14 Oct 86

[Text] Shanghai, October 14 (XINHUA) -- Liu Huaqing, commander of the Navy of the Chinese People's Liberation Army, met Rear Admiral Garnier, captain of the royal yacht Britannia, Captain Brigstocke of the destroyer York, and principal officers of the two ships.

The two vessels arrived here October 11 to serve the British queen, Elizabeth II, in her current visit to China.

PRC UN AMBASSADOR CALLS FOR END TO APARTHEID

OW100146 Beijing XINHUA in English 0107 GMT 10 Oct 86

[Text] United Nations, October 9 (XINHUA) — Huang Jiahua, Chinese ambassador to the United Nations, today reiterated China's call for the complete removal of the system of racism and apartheid in South Africa. Only by doing so, "can the people there enjoy equality, human rights and freedom and can genuine peace and stability prevail in southern Africa," Huang said at a meeting of the U.N. Third (social, humanitarian and cultural) Committee.

The Chinese ambassador strongly condemned the South African regime for its ruthless suppression of South African blacks, illegal occupation of Namibia and reckless provocations and incursions against neighboring countries.

He said, "The total elimination of racial discrimination and the apartheid system is an urgent imperative of modern times, a common desire of the peoples of the world as well as an important task facing the United Nations."

Huang spoke highly of the arduous and unswerving struggle waged by the people of South Africa and Namibia against racism and colonial oppression and for national equality, the fundamental human rights and the right to national self-determination. Their struggle, he said, "has not only been strongly supported by the frontline states and other African countries, but also received ever-increasing worldwide sympathy and support."

The Chinese ambassador said he was encouraged by the fact that an increasing number of countries, including the north European and some other Western countries, had joined in the sanctions against South Africa and adopted other measures against apartheid. Huang stressed that the international community should exert greater pressure on South Africa while rendering more effective assistance politically, morally and materially to the people of South Africa and Namibia.

The U.N. committee has been meeting this week to discuss issues related to the elmination of racial discrimination.

KENYAN PARTY LEADER URGES TIES WITH PRC

OW060900 Beijing XINHUA in English 0838 GMT 6 Oct 86

[Text] Nairbo, October 6 (XINHUA) __ Chairman of Kenya's ruling party, the Kenya African National Union (KANU), David Okiki Amayo, today urged his country to continue and promote its existing friendly relatins with China.

The chairman, who was back yesterday from a 12-day visit to China at the invitation, of the Chinese Communist Party, said he was impressed by China's policy of opening to the outside world and economic reforms as well as development made by the Chinese Government.

Amayo and his delegatn have held tlks with the Chinese party General Secretary Hu Yaobang and Premier Zhao Ziyang during their visit. They also visited some provinces and cities of China and joined the celebrations of the 37th anniversary of the founding of the People's Republic of China in Beijing.

The KANU chairman reaffirmed Kenya's non-alignment and anti-apartheid policy.

NEW PROVISIONS FOR FOREIGN INVESTORS ISSUED

OW111644 Beijing XINHUA in English 1618 GMT 11 Oct 86

[Text] Beijing, October 11 (XINHUA) — Export enterprises and technologically advanced enterprises with foreign investment shall be exempt from payment to the state of all subsidies to staff and workers, except for the payment of funds for labor insurance, welfare costs and housing subsidies for Chinese staff and workers in accordance with the provisions of the state, the Chinese Government announced here today.

This is one of the 22 articles of the new provisions of the government which aimed at improving the investment environment.

The provisions stipulate that the site use fee and the development fee of the above-mentioned enterprises shall be five to twenty yuan (rmb) per square meter per year, except for those located in busy urban sectors of large cities. The maximum site use fee shall be three yuan per square meter per year in site areas where the development fee is computed and charged on a one-time basis or areas which are developed by the enterprises themselves.

It is stipulated that after the expiration of the period of reduction or exemption of enterprise income tax in accordance with the provisions of the state, technologically advanced enterprises may extend for three years the payment of enterprise income tax at a rate reduced by one half. After the expiration of the period, export-oriented enterprises whose value of export products in a year amounts to 70 percent or more of the value of their products for that year, may pay enterprise income tax at one-half the rate of the present tax.

One article says that for products of enterprises with foreign investment that require an export license, an application for an export license may be made every six months in accordance with the annual export plan of the enterprises.

Another article stresses that the people's governments at all levels and relevant departments in charge shall guarantee the right of autonomy of enterprises in managing themselves in accordance with international advanced scientific methods. Such enterprises may hire or dismiss workers and staff according to circumstances.

It is made clear that the agreement, contract and articles of association of an enterprise with foreign investment shall be examined and approved by the departments in charge under the State Council, and that the examination and approval authority must within three months from the date of receipt of all documents decide to approve or not to approve.

Under the new provisions, export enterprises and technological enterprises shall be given priority in obtaining water, electricity, transportation services and telecommunication facilities needed in production. The bank shall give them priority in issuing loans for short-term revolving funds needed for production and distribution, as well as other needed credit.

It is also stipulated that under the supervision of the foreign exchange control departments, enterprises with foreign investment may mutually adjust their foreign exchange surpluses and deficiencies among each other.

A point is made that when foreign investors in export-oriented enterprises and technologically advanced enterprises remit abroad profits distributed to them by such enterprises, the amount remitted shall be exempt from income tax.

TEXT OF STATE COUNCIL FOREIGN INVESTMENT RULES

OW111719 Beijing XINHUA in English 1639 GMT 11 Oct 86

[Text] Beijing, October 11 (XINHUA) — Following is the full text of the provisions of the State Council of the People's Republic of China for the encouragement of foreign investment, which was made public here this afternoon:

Provisions of the State Council of the People's Republic of China for the encouragement of foreign investment
(October 11, 1986)

Article 1. These provisions are hereby formulated in order to improve the investment environment, facilitate the absorption of foreign investment, introduce advanced technology, improve product quality, expand exports in order to generate foreign exchange and develop the national economy.

Article 2. The state encourages foreign companies, enterprises and other economic entities or individuals (hereinafter referred to as "foreign investors") to establish Chinese-foreign equity joint ventures, Chinese-foreign cooperative ventures and wholly foreign-owned enterprises (hereinafter referred to as "enterprises with foreign investment") within the territory of China.

The state grants special preferences to the enterprises with foreign investment listed below:

(1) Production enterprises whose products are mainly for export, which have a foreign exchange surplus after deducting from their total annual foreign exchange revenues the annual foreign exchange expenditures incurred in production and operation and the foreign exchange needed for the remittance abroad of the profits earned by foreign investors (hereinafter referred to as "export enterprises").

(2) Production enterprises possessing advanced technology supplied by foreign investors which are engaged in developing new products, and upgrading and replacing products in order to increase foreign exchange generated by exports or for import substitution (hereinafter referred to as "technologically advanced enterprises").

Article 3. Export enterprises and technologically advanced enterprises shall be exempt from payment to the state of all subsidies to staff and workers, except for the payment of or allocation of funds for labor insurance, welfare costs and housing subsidies for Chinese staff and workers in accordance with the provisions of the state.

Article 4. The site use fees for export enterprises and technologically advanced enterprises, except for those located in busy urban sectors of large cities, shall be computed and charged according to the following standards:

(1) Five to twenty rmb yuan per squre meter per year in areas where the development fee and the site use fee are computed and charged together;

(2) Not more than three rmb yuan per square meter per year in site areas where the development fee is computed and charged on a one-time basis or areas which are developed by the above-mentioned enterprises themselves.

Excemptions for specified periods of time from the fees provided in the foregoing provision may be granted at the discretion of local people's governments.

Article 5. Export enterprises and technologically advanced enterprises shall be given priority in obtaining water, electricity and transportation services, and communication facilities needed for their production and operation. Fees shall be computed and charged in accordance with the standards for local state enterprises.

Article 6. Export enterprises and technologically advanced enterprises, after examination by the Bank of China, shall be given priority in receiving loans for short-term revolving funds needed for production and distribution, as well as for other needed credit.

Article 7. When foreign investors in export enterprises and technologically advanced enterprises remit abroad profits distributed to them by such enterprises, the amount remitted shall be exempt from income tax.

Article 8. After the expiration of the period for the reduction or exemption of enterprise income tax in accordance with the provisions of the state, export enterprises whose value of export products in that year amounts to 70 percent or more of the value of their products for that year, may pay enterprise income tax at one-half the rate of the present tax.

Export enterprises in the special economic zones and in the economic and technological development zones and other export enterprises that already pay enterprise income tax at a tax rate of 15 percent and that comply with the foregoing conditions, shall pay enterprise income tax at a rate of 10 percent.

Article 9. After the expiration of the period of reduction or exemption of enterprise income tax in accordance with the provisions of the state, technologically advanced enterprises may extend for three years the payment of enterprise income tax at a rate reduced by one half.

Article 10. Foreign investors who reinvest the profits distributed to them by their enterprises in order to establish or expand export enterprises or technologically advanced enterprises for a period of operation of not less than five years, after application to and approval by the tax authorities, shall be refunded the total amount of enterprise income tax already paid on the reinvested portion. [paragraph continues]

If the investment is withdrawn before the period of operation reaches five years, the amount of enterprise income tax refunded shall be repaid.

Article 11. Export products of enterprises with foreign investment, except crude oil, finished oil and other products subject to special state provisions, shall be exempt from the consolidated industrial and commercial tax.

Article 12. Enterprises with foreign investment may arrange the export of their products directly or may also export by consignment to agents in accordance with state provisions. For products that require and export license, in accordance with the annual export plan of the enterprise, an application for an export license may be made every six months.

Article 13. Machinery and equipment, vehicles used in production, raw materials, fuel, bulk parts, spare parts, machine component parts and fittings (including imports restricted by the state), which enterprises with foreign investment need to import in order to carry out their export contracts do not require further applications for examination and approval and for exempt from the requirement for import licenses. The customs department shall exercise supervision and control, and shall inspect and release such imports on the basis of the enterprise contract or the export contract.

The imported materials and items mentioned above are restricted to use by the enterprise and may not be sold on the domestic market. If they are used in products to be sold domestically, import procedures shall be handled in accordance with provisions and the taxes shall be made up according to the governing sections.

Article 14. Under the supervision of the foreign exchange control departments, enterprises with foreign investment may mutually adjust their foreign exchange surpluses and deficiencies among each other.

The Bank of China and other banks designated by the People's Bank of China may provide cash security services and may grant loans in renminbi to enterprises with foreign investment.

Article 15. The people's governments at all levels and relevant departments in charge shall guarantee the right of autonomy of enterprises with foreign investment and shall support enterprises with foreign investment in managing themselves in accordance with international advanced scientific methods.

With the scope of their approved contracts, enterprises with foreign investment have the right to determine by themselves production and operation plans, to raise funds, to use funds, to purchase production materials and to sell products; and to determine by themselves the wage levels, the forms of wages and bonuses and the allowance system.

Enterprises with foreign investment may, in accordance with themselves their organizational structure and personnel system, employ or dismiss senior management personnel, increase or dismiss staff and workers. [paragraph continues]

They may recruit and employ technical personnel, managerial personnel and workers in their locality. The unit to which such employed personnel belong shall provide its support and shall permit their transfer. Staff and workers who violate the rules and regulations, and thereby cause certain bad consequences may, in accordance with the seriousness of the case, be given differing sanctions, up to that of discharge. Enterprises with foreign investment that recruit, employ, dismiss or discharge staff and workers, shall file a report with the local labor and personnel department.

Article 16. All districts and departments must implement the "Circular of the State Council Concerning Firmly Curbing the Indiscriminate Levy of Charges on Enterprises." The people's governments at the provincial level shall formulate specific methods and strengthen supervision and administration.

Enterprises with foreign investment that encounter unreasonable charges may refuse to pay and may also appeal to the local economic committees up to the State Economic Commission.

Article 17. The people's governments at all levels and relevant departments in charge shall strengthen the coordination of their work, improve efficiency in handling matters and shall promptly examine and approve matters reported by enterprises with foreign investment that require response and resolution. The agreement, contract and articles of association of an enterprise with foreign investment shall be examined and approved by the departments in charge under the State Council. The examination and approval authority must within three months from the date of receipt of all documents decide to approve or not to approve them.

Article 18. Export enterprises and technologically advanced enterprises mentioned in these provisions shall be confirmed jointly as such by the foreign economic relations and trade departments where such enterprises are located and the relevant departments in accordance with the enterprise contract, and certification shall be issued.

If the actual results of the annual exports of an export enterprise are unable to realize the goal of the surplus in the foreign exchange balance that is stipulated in the enterprise contract, the taxes and fees which have already been reduced or exempted in the previous year shall be made up in the following year.

Article 19. Except where these provisions expressly provide that they are to be applicable to export enterprises or technologically advanced enterprises, other articles shall be applicable to all enterprises with foreign investment.

These provisions apply from the date of implementation to those enterprises with foreign investment that have obtained approval for establishment before the date of implementation of these provisions and that qualify for the preferential terms of these provisions.

Article 20. For enterprises invested in and established by companies, enterprises and other economic organizations or individuals from Hong Kong, Macao, or Taiwan, matters shall be handled by reference to these provisions.

Article 21. The Ministry of Foreign Economic Relations and Trade shall be responsible for interpreting these provisions.

Article 22. These provisions shall go into effect on the date of issue.

GU MU HEADS STATE COUNCIL INVESTMENT GROUP

OW101827 Beijing XINHUA Domestic Service in Chinese 1252 GMT 9 Oct 86

[Text] Beijing, 9 Oct (XINHUA) — According to a XINHUA reporter, the State Council has recently set up a leading group in charge of foreign investment. With State Councillor Gu Mu, who has been in charge of the work of implementing China's open-door policy for many years, as the head and Zhou Jiannan as deputy head, the group comprises a deputy secretary general of the States Council and the officials of the State Planning Commission, State Economic Commission, State Council's Special Economic Zone Office, Ministry of Foreign Economic Relations and Trade, Ministry of Labor and Personnel, Ministry of Urban and Rural Construction and Environmental Protection, People's Bank of China, Bank of China, General Administration of Customs, State Administration for Industry and Commerce and State Administration of Exchange Control. The group mainly aims to study major policies and plans on the use of foreign investment and make suggestions to the State Council. It may supervise the regional use of foreign investment, and coordinate all concerned departments to conduct arbitrations and help solve major problems. It also may organize concerned departments to oversee the overall proper use of foreign investment, and develop a legislative package governing procedures for foreign investment.

The group has set up an office, and its routine work will be handled by the State Council's Special Economic Zone Office.

OFFICIAL ANSWERS QUESTIONS ON FOREIGN INVESTMENT

OW141222 Beijing XINHUA Domestic Service in Chinese 0258 GMT 12 Oct 86

[Excerpts] Beijing, 12 Oct (XINHUA) — An official from the State Council's Office of the Leading Group for the Work of Foreign Investment, in an interview with RENMIN RIBAO and XINHUA NEWS AGENCY reporters, answered reporters' questions on the "Provisions of the State Council for the Encouragement of Foreign Investment," which was issued on 11 October.

Question (Q): What is the basic guideline of the "Provisions of the State Council for the Encouragement of Foreign Investment?"

Answer (A): Generally speaking, it is a resolution to actually improve China's investment environment and to absorb further and use well the direct investment from foreign companies. Opening to the outside world is China's fundamental policy, while absorbing and using foreign investment is one of the major contents of the work of opening to the outside world. In recent years, especially since 1984, China has made great strides in utilizing foreign investment; however, some pressing problems remain to be solved. [passage omitted] The State Council organized those departments concerned to seriously investigate and study the problems, to sum up experiences, and then to discuss the matter several times; this is how the "Provisions" were formulated. This is a crucial step taken by our government to further absorb and to use foreign investments well.

Q: Why do the "Provisions" emphasize granting special preferences to export and to technologically advanced enterprises?

A: This is because we want to direct foreign investments onto a correct course, so that they may fit the needs of China's economic development. [passage omitted] One of the major purposes of our attracting foreign investments to open factories in China is to bring in advanced technology and management expertise, thus advancing China's technology, improving the quality of products, and giving impetus to the same trades in China. [passage omitted]

Q: In what areas do the "Provisions" give special preferences and conveniences to the export enterprises with foreign investment and to the technologically advanced enterprises?

A: One is to reduce labor cost; two, to reduce fees for the use of sites; three, to reduce or exempt them from taxes; four, to encourage foreign investors to reinvest the enterprises' profits in China; five, to guarantee the external conditions for production and management of these two enterprises (including the import-export of relevant materials). All of these are aimed at further lowering the production cost of the enterprises with foreign investment and at enhancing their competitiveness on the international market by taking advantage of China's favorable conditions. [passage omitted] Moreover, to end the situation in which some localities charge the enterprises with foreign investment with arbitrary fees, the "Provisions" clearly stipulate that when encountering unreasonable charges, enterprises with foreign investment may refuse to pay; they may also appeal, beginning with the local economic commissions and on up to the State Economic Commission. This article applies to all enterprises with foreign investment.

Q: How do the "Provisions" support enterprises with foreign investment in managing themselves in accordance with international advanced scientific methods?

A: The state positively supports the enterprises with foreign investment to fully exercise their right of autonomy in accordance with law; namely, they have the right to freely carry out production and management within the scope of Chinese law and of contracts approved by it; they may, as they do in other countries and regions, adopt various advanced and scientific methods of management to improve productivity and economic results. [passage omitted]

Q: Do the "Provisions" mention any specific measures to improve efficiency in handling matters of the people's governments at all levels and relevant departments in charge?

A: China's reform of the economic structure and management is under way; therefore, China is in transition from the old structure to a new one. In order to promptly examine and approve matters reported by enterprises with foreign investment that require response and resolution, we currently plan to take the following steps: 1) To set up a joint administrative system that is directed by responsible officials of the governments and participated in by all relevant departments in charge of those provinces and cities where there are many enterprises with foreign investment to promptly solve problems in the work of foreign investment; 2) to set up information service centers of enterprises with foreign investment in those provinces and cities with many such enterprises to provide an information service to foreign investors. [passage omitted] Finally, the official from the State Council's Office of the Leading Group for the Work of Foreign Investment said: The work of absorbing and utilizing foreign investment in China will definitely move forward, if we conscientiously and comprehensively carry out these "Provisions". All relevant departments and localities should solve any problems occurring under their administration. [paragraph continues]

We should prove the following with actual work: China's policy of opening to the outside world is unswerving, and the future for foreign investment in China is promising and bright.

RENMIN RIBAO DISCUSSES INVESTMENT ENVIRONMENT

HK130558 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Oct 86 p 1

[Editorial: "Provide a Better Investment Environment"]

[Text] Recently, Chinese leaders have on many occasions talked about the creation of a favorable "small climate" [XIAO CHI HOU 1420 3049 0230] and a better investment environment for enterprises run with foreign investment. The "Provisions of the State Council for the Encouragement of Foreign Investment" promulgated today is exactly an important step taken by the Chinese Government to encourage more foreign businessmen to make investments in China.

Opening up to the outside world is one of the basic long-term national policies of China. As the modern world economic development has resulted in closer and closer international economic and technological ties, a country engaging in modernization today can hardly achieve success by practicing closed-doorism but must promote economic cooperation and exchange with other countries in the world. The intake and utilization of foreign investment is the most direct form of economic cooperation and exchange which cannot only help us make up shortage of funds that are essential to our country's economic construction but also bring in advanced technology, equipment, scientific management and administration know-how and experience, as well as other economic information. All these are necessary and useful supplements to our country's socialist economic development. The practice in some of our country's coastal areas that have been opened to the outside world has already proved this. Localities that have been doing a good job in implementing the policy of opening up to the outside world and taking in foreign capital have not only witnessed rapid economic development and substantial technological progress but also positive changes in people's mental attitude.

Foreign businessmen have voiced many opinions and criticisms of the investment environment in our country in the previous period. We cannot deny that there is in fact one problem or another in our practical work. Although we have made great efforts in formulating economic laws and regulations concerning foreign nationals and in building infrastructural facilities, our work is still not perfect enough. Moreover, a good investment environment also includes many other factors. We have confidence that we will be able to add to China's attraction, bring our favorable conditions into full play, prepare more convenient and favorable conditions for investors, and thus create an investment environment with competitive power in the world and, first of all, in Asia.

At present, an issue of top priority for the improvement of the investment environment is to vest enterprises run with foreign investments with the full decision-making power regarding production operation and management, to give foreign investors a free hand in production and management, and to encourage them to operate their enterprises with the world's advanced scientific methods with a view to invigorating the enterprises and improving their economic resuls. The "Provisions" reiterates the necessity of vesting enterprises run with foreign investments with the decision-making power regarding management, the personnel system, the raising of funds, commodity circulation, and so on. This is not only of great importance to the efficient operation of enterprises run with foreign investments but of far-reaching significance to the development of the reform of the enterprise management system in our country.

Production costs are low in China due to its vast market with great potential and generally low expenditure. This has been the country's principal favorable condition. However, a very bad practice is now prevailing in some places -- local departments always arbitrarily raise prices, impose charges, and apportion expenses whenever it concerns enterprises run with foreign investment. Perhaps these departments still have not realized that in doing so they are jeopardizing their favorable conditions. In fact, they are seeking immediate, partial, and local interests at the expense of long-term interests of the whole. Being eager for quick success and instant benefit and seeking minor interests at the cost of major interests, they are acting in a very unwise manner. It is therefore necessary to resolutely check such practices. The principle to which we must adhere in cooperating with foreign businessmen is that of equality and mutual benefit. This is a deal beneficial to both sides. The "Provisions" provide a concrete procedure governing the preferential treatment to foreign investors regarding taxation, charges, and so on. This is also of great significance to the guidance of foreign investment and improvement of the foreign investment makeup in China.

In promulgating the current "Provisions," the State Council has summed up the experience that China has obtained in utilizing foreign investment in the past few years and has adopted a series of effective measures by guaranteeing enterprises' decision-making power and giving preferential treatment regarding taxation. Conscientiously implementing the present "Provisions," we are bound to further improve the investment environment in China and make greater progress in our efforts to attract foreign investment.

PROVINCES CUT RED TAPE FOR FOREIGN VENTURES

OW131754 Beijing XINHUA in English 1548 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- Officials in several of China's most developed areas have been cutting red tape in support of foreign investments in response to new central government regulations.

Enterprises with foreign capital in Guangdong Province in southeast China are being allowed to pay their workers directly -- avoiding intermediary officials and extra charges -- provided they pay them prevailing Chinese wages plus subsidies for medical and unemployment insurance, social welfare and housing, a spokesman for the provincial government said here today.

Yu Fei, vice-governor of Guangdong, said that firms with foreign participation will also be given priority access to short-term loans.

"Companies that export more than 70 precent of their products will also continue to receive tax breaks after their initial tax reductions and exemptions have expired," Yu said.

At the same time, he said, Chinese customers will be urged to purchase products of these high export firms.

In Fujian Province, north of Guangdong on China's coast, Governor Hu Ping said he would head a special administrative group to assist foreign investment, according to a report reaching here today.

Hu said the provincial government will also establish a special company to do consulting work for foreign investors.

Another company will be opened to supply production materials for enterprises with foreign participation, he said.

"We're working to develop other preferential measures which we shall announce soon" involving autonomy, supplies, foreign exchange, loans and taxes, said Hu.

In Beijing, Vice-Mayor Han Boping said opening foreign exchange accounts will soon become easier for enterprises with foreign capital that manufacture goods China itself does not make.

At a news conference Sunday, Han said the city is also preparing to open a service company to provide enterprises with foreign investment materials at prices equal to those Chinese firms pay. In addition, he said, the company will help pay the foreign firms import equipment, raw materials and machine parts from abroad.

FOREIGN ENTERPRISE INCOME TAX RATE REDUCED

OW141026 Beijing XINHUA Domestic Service in Chinese 0644 GMT 8 Oct 86

[Text] Beijin, 8 Oct (XINHUA) — The General Taxation Department of the Ministry of Finance informed the XINHUA NEWS AGENCY today: With State Council approval, the following revision is made to Article 4 of "Interim Provisions of the Ministry of Finance of the People's Republic of China for the Collection of Consolidated Industrial and Commerical Tax and Enterprise Income Tax From Resident Representative Offices of Foreign Enterprises": The article originally reads, "For the assessment of income tax, the taxable income shall be 15 percent of the business income." It has been revised to read, "For the assessment of income tax, the taxable income shall be 10 percent of the business income."

The revision went into effect on 1 October 1986.

NATIONAL SURVEY SHOWS MOST PEOPLE SUPPORT REFORM

OW141353 Beijing XINHUA in English 1320 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) — More than 95 percent of Chinese workers, government employees and academic researchers support the country's ongoing reform of the economic structure, according to a national random sample survey.

The survey was conducted nationwide by the All-China Federation of Trade Unions early this year and involved more than 600,000 people in various trades.

Two thirds of those surveyed agreed that the ongoing reforms are "advancing China on a road leading to socialism with Chinese characteristics", and that road will lead to "a strong nation with wealthier people".

About 15 percent of the people surveyed considered the reform "a mode of capitalism based on socialist principles."

However, 13 percent say that they are not clear about the nature of the reform, even though they liked the results. About 15,570 people, 2.59 percent of those surveyed thought the reform is "more or less the same as capitalism."

Of the 640,000 people surveyed, 70.17 are blue collar workers, 17 percent are civil employees and 13 percent are academics or professionals. They were asked to answer questions on five aspects of their life. These included questions on their views concerning the current economic situation, the ongoing reform and their incomes. More than 82 percent of the respondents were under 45 years old.

Nearly half of the people surveyed were members of either the Communist Party, Communist Youth League or the country's other political parties. The other half were people without political affiliation.

The overwhelming majority of the people considered the country's policy of opening to the outside world is also important in "building socialism with Chinese characteristics," and that the policy is an "indispensable prerequisite" for the country's modernization drive.

A few people yet think that the policy will bring decadent ideology while in the main accelerating the modernization program. About 19,000, or less than three percent of those surveyed considered the policy as "having impeded the growth of the nation's industry."

While only about 15 percent unequivocally said China's economy was in excellent shape. Eighty-two percent thought the economic situation was good but they qualified their answers. Some thought many more problems needed to be tackled while others felt "social conduct has yet to be improved."

A senior official from the trade unions told XINHUA that more than 10,000 employees from the trade unions at various levels of the country participated in the survey.

The answers to the questionaire were tabulated by computers and tens of thousands of pieces of information were sorted, the official said, adding that the data are valuable to policy-making for reference.

FIELD ARMIES CONVERTED INTO GROUP ARMIES

HK120634 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 6 Oct 86 pp 16, 17

[Article by Xu Jingyue (1776 0079 6460): "All Chinese Armies Are Turned Into Group Armies"]

[Text] The 1980's is a period of brisk development of the Chinese Army. China's reform of the army system, which has been the focus of world attention, is drawing to an end. In the PLA establishment, there is a new unit — the group army. Turning field armies into group armies is an important achievement in China's reform of the Army establishment and system, symbolizing a new stage of modernization of the Chinese Army.

In April 1983, the Central Military Commission began to establish the First Group Army in a certain place in north China. Yang Shangkun, executive chairman of this commission, personally went to this army to give a mobilization talk. By the end of 1985, all field armies of the PLA were turned into group armies. The work in various fields is now being carried out in accordance with the new establishment.

The group army is an inevitable outcome of the development and modernization of the Chinese Army. The PLA has already followed a historic course of 59 years. During the 22 years of revolutionary War, due to the specific historical conditions, the PLA had very few technical arms and infantry had always been the basic arm of the services. Since the founding of the PRC, the PLA has gradually developed into modern armed forces with various arms of service including the Ground Force, the Navy, the Air Force, and strategic guided missile troops. There has also been a greate change in the formation of the ground force: The infantry has been developing toward motorization and mechanization; establishment of cavalry units has been abolished; and the professional and technical units, such as the armor, artillery, engineer corps, and antichemical warfare corps, have been strengthened in varying degrees. With the rapid development of science and technology, the shortcomings of the traditional field armies, such as each forms an independent system and each does things its own way, have also been fully exposed. They can neither suit the demands of the development of the Army toward modernization nor the demands of future wars. In modern warfare, since the Army's firepower, degree of motorization, and capacity of attack and independent fighting have been raised, there has been an increasing demand for expanding the scope of group actions so that the might of the combined arms can be brought into play. Thus, the Central Military Commission made a policy decision establishing group armies in 1983.

The current group army establishment of the PLA reflects the orientation of its future development. There have been many changes in this army since establishing the group armies:

First, the composition of the ground force has changed. The time of the infantry being the main force has already passed. In the First Mechanized Group Army, professional and technical arms have become the main body. One of every two soldiers is a technician, but only one of every five soldiers is an infantryman. At present, this army is composed of various modern units including infantry, artillery, armored signal, antichemical warfare, engineer, air defense, air and electronic countermeasures units. It has more than 370 professional and modern units, 200 technical items including laser, radar, computer, and meteoroleogy.

The ability of the Ground Force to fight in coordination has been raised. Now, a perfect fighting unit has been formed based on the original arms of the services, which were independent systems acting in their own ways. In peacetime, it chiefly carries out coordination and professional training so as to raise the consciousness and level of coordinated action. In wartime, as the methods of coordination and the command system are simplified, the task of fighting can be undertaken through joint efforts under unified guiding ideology and command and through mutual cooperation and support. The success of the recent military exercise conducted by China's First Mechanized Group Army has proved this. In the exercise, various professional and technical arms were able to coordinate with one another under the unified command of the group army commander in order to fulfill complicated tasks under modern conditions. While carrying out the tasks of deep thrusting, assaulting, surrounding and annihilating, and supportive, fire the infantry, tank, and self-propelled artillery forces were able to coordinate with one another accurately and quickly, and the air, radar, meteorology, and other units were able to fulfill their tasks rather well. This symbolizes that the PLA Ground Force already possesses the ability to fight in coordination. The further improvement of weaponry equipment has changed the face of the Ground Force. [paragraph continues]

Instead of marching with blanket rolls on their backs, the soldiers can now advance in armored vehicles, raising the speed by 400 to 600 percent and enhancing their ability to react quickly. In gathering intelligence about the enemy, it is no longer necessary to rely on capturing enemy soldiers alive; it can be done by means of modern equipment such as radio, radar, and airplane. In fighting, it is no longer necessary to rely on infantry weapons; electronic countermeasures are used to jam the radar and radios of the other side and destroy its command system, and the air unit of the Ground Force is used to support ground fighting. On the ground, group tanks gallop on the vast land, carrying out the tasks of attacking and defending, and a network of fire is formed by guided missiles and all kinds of large-caliber guns. In the underground command post, commanders are able to conduct automatic command by means of a computer network, and the past methods of shouting to give orders and manual operations have become outdated.

Since the group armies were established, there have been some higher demands on the quality of military officers at all levels. They must have knowledge of modern science and must break with old ideas. They must have knowledge of various arms of the service. An officer above the battalion level must have the ability to command coordinated operations of various arms of the service. In order to meet this demand, there have been great changes in the knowledge composition of grass-roots cadres of the PLA: One of every two of these cadres is a university or polytechnic school graduate. At the same time, with the continuous permeation of science and technology into the military sphere, the number of officers giving direct command in fighting has been comparatively reduced, while that of those engaged in administration and tehncial work has increased. Through reform of the structure and simplifying administration, the number of technical officers now comprises more than one-third of the total number of military cadres of the whole Army.

Although there is no difference between group armies and field armies with respect to grade and authority, the tasks of the former are much heavier. It is a combined army group of various arms of the Ground Force which is capable of carrying out the task of tactical fighting or independent fighting.

Of course, after the establishment of the group armies, it is more difficult to organize training. A number of new problems have thus emerged in the political work and rear service of the Army. Now, various group armies are seeking methods, through practice, to solve these problems.

BAN YUE TAN VISITS NATIONAL DEFENSE UNIVERSITY

HK120828 Beijing BAN YUE TAN in Chinese No 18, 25 Sep 86 pp 44-47

[Article by Dai Xingmin (2071 2622 3046) and Gai Yumin (5556 3768 3787): "China's Highest Military Institution — Visiting the National Defense University"]

[Text] China's highest military institution — the PLA National Defense University — opened on 1 September. We recently visited the school born in the reform of the army structure.

Situated in the western suburbs of Beijing, with green hills behind and the Beijing-Miyun Canal by its side, the National Defense University is peaceful and secluded. The teaching buildings, office buildings, and cadet dormitory buildings, as well as the green and luxuriant white poplars, pines, and cypresses, set off one another.

A responsible person of the school administration department told us: With the approval of the State Council and the Central Military Commission, the National Defense University was set up on 24 December of last year. [paragraph continues]

Central Military Commission Chairman Deng Xiaoping wrote the name of the school. It was established on the basis of three former military academies: The PLA Military Academy, the Political Academy, and the Logistic Academy. He said: Modern warfare calls for a "highly knowledgeable and capable" intellectual structure on the part of our military commanders, who should become "all-round persons" with strategic minds and the ability to direct combined operations and who know not only the Ground Force, the Navy, and the Air Force but also military affairs, politics, and rear service work. The National Defense University has been set up precisely to suit this new situation. Its principal task is to train commanding cadres of the Army, Navy, and Air Force at the Army unit level or above, senior staff officers, senior theoretical research personnel, and leading cadres of the relevant state departments in order to meet the needs of Army building in the 1990's and even early in the next century.

There are now the National Defense Research Department, the Basic Department, the Refresher Course Department, Postgraduate Institute, and teachers training class in the National Defense University. With the exception of the Postgraduate Institute, all departments have recruited new students this year.

The dean of the National Defense Research Department took us to a newly whitewashed 3-story building. He told us that scores of students in the department would spend their study life there. Most of the students are senior Army cadres. Of these, three-quarters are cadres at the army unit level or above or military district leaders, and a quarter are cadres at or above the department or bureau head level in the central organs or cadres from provinces and municipalities. It is the first time in the educational history of our military academies that local leading cadres have studied in a military academy.

The dean told us that the content of courses in the National Defense Research Department is mainly special topics related to national defense. The students should chiefly study on their own and, on this basis, concentrate on conducting research. When winding up their studies, they should be able to write treatises with original views on certain issues as a reference for leading organs in making policy decisions. In addition to studying military dialectic, first-term students should concentrate on studying the international strategic situation and the security situation in the Asian and Pacific region. To this end, the school has provided the students with large quantities of data involving military affairs, politics, and economy at all times and in all countries. After finishing their studies, the students will also go abroad on an inspection tour.

A new student at the National Defense University has over 100 required and elective courses. Over 90 percent of the teaching materials were recently compiled. In line with the objective of training "all-round persons" defined in the teaching program, the teaching materials concentrate many new theses and achievements in contemporary military theories, science, technology, and national defense building and are characterized by four characters: "High, new, wide, and deep."

The character "high" refers to high-level training, with the stress on strategy and tactics. The students should concentrate on studying the science of campaigns.

The character "new" means using the latest information and achievements in the world's science, technology, and military science to replenish or enrich the content of courses and predicting likely changes in strategy, campaigns, and tactics and in operational patterns following changes in the world's technological equipment at the end of this century and early in the 21st century, as well as exploring and advancing countermeasures in light of the new situation.

The character "wide" means offering courses on Ground Forces, Navy, Air Force, politics, and logistics, and logistics, as well as the necessary modern scientific courses in order to broaden the students' horizon and knowledge.

The character "deep" means that it is necessary to stress and penetratingly explain the main points in each course.

The advanced teaching facilities at the National Defense University left a deep impression on us. The new, beige main library building, with floor space of 8,000 square meters, has been made available to the users. The main and branch libraries store a total of 1.3 million books, 1,400 domestic newspapers and periodicals, and 170 foreign language, as well as Hong Kong and Taiwan, periodicals. In addition to 8 reading rooms, which are open simultaneously, the library also has over 50 separate research rooms. If a student wants to study a special topic, he may book a room by telephone. The personnel will ready a room for him and provide him with the necessary materials. The student may study, conduct research, or write theses in the room every day until he finishes his task.

In the audio-visual teaching center, we watched an advanced computer teaching system being installed. The comrade accompanying us said: Since modern warfare is generally conducted on a larger scale and in a bigger space, it is necessary to rely on the organic combination of man and modern equipment to command. In ordinary training, it is impossible to stage such large-scale actual exercises. After the equipment is installed, the students can use their application of software to create future battlefield environments in the room and to conduct teaching and research. When two commanders of a campaign, one commanding a "red" army and another a "blue" army, sit in front of a computer, devising strategies and making policy decisions in a battle of wits and courage, the equipment can promptly give scientific assessments of the strategic thinking and campaign commands of both sides and thus effectively help the commanders raise their capabilities to give commands and make policy decisions. The director of the audio-visual teaching center said that the school also planned to gradually add various supplementary teaching facilities for computers and that an audio-visual teaching center building, with floor space of 4,000 square meters, would be built near the new library building.

The National Defense University is a center of both teaching and scientific research. It conducts research in strategy and modernization of national defense and offers advice to the Military Commission and various general departments. The school has 78 professional research fellows who are quite influential inside and outside the Army. They are chiefly assigned to the Strategic Research Institute, the Marxist Research Institute, and Army-Building Research Institute under the Scientific Research Department. Now, in addition to working on a number of research topics assigned by the Military Commission and the general departments, they also launch scientific research in the eight categories of military science. They plan to finish several dozen treatises in 5 years to fill the many gaps in the various categories of military science.

The National Defense University pursues a policy of opening up to the outside world. Since its founding more than 6 months ago, 26 groups, consisting of over 200 foreign military leaders, internationally celebrated persons, experts, and scholars, have visited here to give lectures or conduct academic exchanges.

On our way home after the visit, thoughts surged in our minds: On the path toward the modernization of national defense in recent years, we have been leaping over a new milestone in making the PLA a regular army. [paragraph continues]

The National Defense University will certainly be able to train and bring up a large number of modern military personnel for our army and make a greater contribution to consolidating national defense and safeguarding world peace.

ZHONGGUO XINWEN SHE ON PARATROOPS' CAPABILITY

HK150611 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0345 GMG 13 Oct 86

[Report: "Chinese Paratroopers' Landing Technique and Survival Capability in Field Operations Have Reached the World Advanced Level" — ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 13 Oct (ZHONGGUO XINWEN SHE) — According to information from the headquarters of the Chinese Air Force, the combat capability of the Chinese Airborne Force has reached a new level in being able to fly at any time, land anywhere, and fight after landing. Their armed parachuting techniques at selected zones as well as their survival capabiliy in field operations can be compared to that of paratroopers of the most advanced countries.

The Airborne Force can play an important role on the stage of modern triphibious warfare. However, it is still a relatively young special force of the Chinese Army.

In order to strengthen the features of high speed, mobility, concealment, and quickness of the Airborne Force, China reformed the training content and methods for its paratroopers, completing the airborne field training as well as the survival training in its main varied topographical areas like primeval forests, the Gobi Desert, rivers and lakes, water networks and swamps, mountainous and jungle areas, and so on and summing up a set of new training methods and means.

According to the training department of the Airborne Force of the Air Force, field survival training of paratroopers is conducted in every country. On the 19 survival training courses like field operations, logistics support, and coordination between various services, China has accumulated its own unique experiences and collected over 120 relevant materials and limit data.

HIGH-RANKING OFFICIAL IN HONG KONG TO RESIGN

HK110438 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 86 p 1

[By Chris Yeung]

[Text] China's number two manin Hong Kong, Mr Li Chuwen, is to resign from the local NEW CHINA NEWS AGENCY office next year.

Mr Li, the highest ranking of NCNA's four vice-directors, is expected to take up a teaching offer from a Shanghai university when he leaves the agency in the middle of next year.

Mr Li has built up cordial relationships with the consular corps and the foreign community since his posting here in mid 1983.

He is reportedly leaving for personal reasons, although there have been rumours in pro-Beijing circles that he is not on good terms with the Chinese hierarchy.

One source told the SOUTH CHINA MORNING POST Mr Li submitted his resignation during a recent trip to Beijing.

The resignation has been approved internally but awaits formal endorsement, the source said.

Mr Li reportedly in his mid-60s, was posted to Hong Kong during the Sino-British talks on territory's future, together with the director of the Hong Kong NCNA branch, Mr Xu Jiatun.

He came from Shanghai and held a senior rank in the Ministry of Foreign affairs before his posting to Hong Kong.

His successor is expected to be sent directly from the ministry and it is unlikely that the important post will be filled from the present hierarchy.

Playing an increasingly important role in Hong Kong in the run-up to 1997, NCNA began grooming younger talent after a reshuffle in 1984, although sources said Mr Li's resignation has nothing to do with moves to install younger people.

Speculation continues over the likely successors to Mr Li and to Mr Xu, who is also tipped to retire next year.

One rising star is Mr Qiao Zonghuai a vice secretary-general at NCNA.

Mr Qiao, son of late Chinese Foreign Minister Mr Qiao Guanhua, is a member of the Sino-British Joint Liaison Group.

But sources said yesterday Mr Qiao is unlikely to take up higher posts "in the immediate future".

RENMIN RIBAO HIGHLIGHTS NEWSPAPERS' CRITICISM

HK130748 Beijing RENMIN RIBAO in Chinese 11 Oct 86 p 1

[Commentator's article: "The Influence of Newspapers' Criticisms"]

[Text] This event called for deep thought, and the "Lawsuit" involved also called for deep thought. A retired cadre in Wuwei County, Anhui Province, illegally occupied a plot of land on the campus of Wuwei Secondary School for up to 13 years and built a wall and house there. The teachers and students of the school wrote many complaint letters and even sent telegraphs to the relevant authorities, but all were ignored. On 8 November 1984, this newspaper exposed the case; on 22 December the same year, the Wuwei County CPC Committee dealt with this case and made a 4-point decision. On 2 April this year, this newspaper published an investigative report by a RENMIN RIBAO reporter, and then, on 8 April, published the strong reactions of some people's deputies from Anui who were attending the Fourth Session of the Sixth NPC. After another 6 months passed, this case was finally resolved. It took 20 months to basically solve a case after a criticism was made by the newspaper, but the newspaper criticism achieved some results. This shows that newspaper criticisms can play a certain role in the struggle against unhealthy tendencies.

The central leadership always advocates and the public always supports the conduct of criticism and self-criticism through newspapers. Some people who are involved in unhealthy tendencies "do not fear criticisms from the upper authorities, but only fear that their names will be mentioned by newspapers." This is because once the cases are made public, there will be pressure formed by public opinion. As the saying goes, "evildoers will be condemned by the public." The force of public opinion can never be ignored. In this regard, all personnel of party organs must not belittle their role and should not evade difficulties and problems and give up the weapon of criticism.

The primary reason newspaper criticisms are so forceful lies in the truthfulness of the criticisms. Criticism must be realistic. Newspapers must first accurately learn the facts before making any criticism. The central leadership has also often reminded us of this. If a criticism is not in line with the facts, it may not only hurt those who are criticized, but may also harm the party's reputation, thus adding difficulities to the conduct of criticism in newspapers. In this regard, our party organ personnel should have a high sense of responsibility and adhere to their trade ethics. They must not be careless.

However, not all realistic and accurate criticisms can achieve expected social results. This is because people who are criticized may not fear to lose face and may simply ignore the "opinion." In such cases, even newspaper criticisms are not effective. This requires the relevant party, administrative, and judicial departments to use party disciplinary, administrative, and legal means to handle such cases. The party, administrative, and judicial departments should not only perform their functions in dealing with unhealthy tendencies and lawbreaking cases, but they should also come out to uphold justice in the "lawsuits" filed by the people who are criticized and their superiors who shield their faults from the newspaper. After the event at Wuwei secondary school was exposed by this newspaper again and again in published reports, and the county party committee finally resolved the case with the help of the public opinion. This shows that it is also important for party and administrative authorities, at all levels, to make good use of newspaper criticisms to promote their work.

PROGRESS, 'RE-UNDERSTANDING' CULTURAL REVOLUTION

HK150207 Beijing RENMIN RIBAO in Chinese 13 Oct 86 p 5

["Press Digest" column" "Re-Understanding the 'Great Cultural Revolution'"]

[Text] QINGNIAN LUNTAN No 7, 1986, published excerpts of some young theoretical workers' speeches at a discussion meeting "on the re-understanding of the 'Cultural Revolution.'"

Yu Minsheng said: The "Cultural Revolution" was a tragedy of the Chinese people. We should properly sum up experience so as to improve socialist democracy and the legal system. Only thus can we maintain lasting order and stability and a harmonious and dynamic political situation and build up socialist material and spiritual civilization in a well coordinated way.

He said that the prototype of the "Cultural Revolution" would never reappear in the future, but its secondary form and derivative form have not been eradicated in our social life, and are still attached to the residual small peasant economy and feudal things. They will nt vanish until the planned socialist commodity economy is fully developed, prosperity is maintained for a long time, and the ideology, culture, democracy, and legal system of the entire society are in conformity with the development of the planned commodity economy.

Chen Hanwen analyzed the social and historical reasons for the occurrence of the "Cultural Revolution:" First, China's social relations were maintained on a non-democratic basis, and economic relations were based on excessive centralism. Therefore, people's political relations could only be based on absolute obedience to the upper authorities and personality cult. Although "benevolence" was emphasized in cultural relations, it must be subordinate to "loyalty;" and under the premise of "loyalty," "benevolence" could be replaced with violence. Second, the social regulatory mechanisms become rusty. There were three major disadvantages in China's social regulatory mechanisms: 1) The process of regulations was not continuous and consistent; instead, regulation was made only after contradictions were accumulated to a certain degree. 2) Regulation was made in a coercive way through various political movements. 3) There were no diverse means of regulation. Regulation was not made through building a sound legal system, adjusting the economic levers, and expanding cultural exchanges with the outside world, but was merely made through ideolgicial and political work. Third, the social structure was a close pattern, and China was secluded from the outside world and the Chinese people did not know about the development of the world's economy and culture. They even thought about spreading the "Cultural Revolution" in other parts of the world and did not realize what a foolish thing their nation was doing.

When analyzing the relationship between the "Cultural Revolution" and China's traditional culture, Shang Mingfang said: Confucianism was China's ruling ideology for thousands of years. It was not only the ideology of the ruling class, but also formed the main part of the whole nation's cultural and psychological structure. Although many people did not really understand the contents of Confucianism, Confucianism was still powerfully controlling their conduct, morals, feelings, and mentalities. Therefore, the masses did not perceive the absurdity and ineptitude of such feudalist things as "loyalty dances" and "one person's dominance."

Cao Yuanzheng pointed out that the profound significance of China's structural reform not only lies in the improvement of our current systems, but also in the change of the situation in which our nation lacked a forceful impetus to make technological progress. This reform is a thorough negation of the "Cultural Revolution." On the other hand, in order to promote this reform, we must look back toward the "Cultural Revolution" from a higher plane of thought and find out about its root cause. So far, we have not sufficient efforts in this regard. We hope that all branches of social studies will make joint efforts and will help the general public to draw a lesson from this painful experience and deepend their understanding of the significance of the reform. Through summing up the past, grasping the present, and opening up the future, we will advance our reform cause and promote our nation's rehabilitation and rejuvenation.

SOCIETY TO STUDY MAO ZEDONG PHILOSOPHICAL IDEAS

OW141809 Beijing XINHUA in English 1439 GMT 14 Oct 86

[Text] Chengdu, October 14 (XINHUA) -- A national society for the study of the philosophical ideas of the late Chairman Mao Zedong was set up here today.

The society plans to organize nation-wide academic research and exchanges on Mao's philosophical ideas and to study how to use these thoughts to promote new ideas.

Leaders of the society come from the Philosophy Research Institute of the Chinese Academy of Social Sciences, the Central Party School of the Chinese Communist Party and the Philosophy Department of Beijing University.

ACADEMY TO OPEN FACILITIES TO 'OUTSIDERS'

OW131814 Beijing XINHUA in English 1634 GMT 13 Oct 86

["Academy To Open More Research Facilities to Outsiders" -- XINHUA headline]

[Text] Beijing, October 13 (XINHUA) -- The Academy of Sciences will open about 50 research institutes and laboratories to non-residential science and technology researchers home and abroad by 1990, Zhou Guangzhao, vice-president of the academy said here today.

The academy has opened two research institutes and 17 laboratories to the outside since August 1985, in a bid to make full use of existing research equipment scattered in affiliated departments. It provided funds, equipments and academic support to researchers whose applications were accepted.

So far, 355 applications have been accepted, with 78 percent from universities and colleges, industrial sources and other research establishments.

The new policy has promoted joint research among scientists of different fields, said Zhou at a work conference on the opening. The joint research has spawned 106 theses published in international forums or publications, and 240 pieces in domestic journals.

The Beijing Electron-Microscope Laboratory worked with a scientist from American Bell Laboratories on problems of large-scale integrated circuitry. The work yielded results which benefitted circuitry production.

The opening up has been a good chance for young researchers to boldly try their talents. To date, 233 postgraduates have come to the academy to work on their laboratory projects.

And with the opening has come increased international academic exchange, with 18 foreign scholars advising on academic commissions and 26 foreign scientists conducting research with Chinese counterparts this year.

FOREIGNERS INVITED FOR BIOTECH RESEARCH

OW141245 Beijing XINHUA in English 1052 GMT 14 Oct 86

[Text] Beijing, October 14 (XINHUA) -- One of China's top researchers in biological technology today invited foreign scientists to work in the country's leading laboratories.

Speaking at an international symposium on the use of technology to alter biological processes, Wu Zhichun of the Chinese Academy of Sciences said that foreigners were welcome to establish joint research and development programs, laboratories, technology exchanges and commercial joint ventures.

In addition to its plants and laboratories, China has invested 57 million yuan (15.4 million U.S. dollars) on a research and development center for what scientists call "biotech" in Shanghai, she said.

Also, according to Wu, the country has sent more than 500 graduate students and visiting scholars abroad to study biotech over the past six years.

"Biotech is one of our most promising areas of high-tech development, particularly in agriculture and pharmaceuticals," she said.

For example, according to Wu, with the help of genetic engineering, some Chinese scientists have been able to grow larger livestock and are experimenting with breeding larger goldfish, mice and freshwater fish.

Other scientists are working on developing more bountiful crops resistant to salty water, disease and herbicides, she said.

"But we are still far behind the developed countries," said Wu. "We don't have enough well trained personnel, we have difficulties getting people in different fields working together, and we seem to be better at developing technology in the laboratory than at getting our findings implemented by industry."

ACTIVITIES SET TO COMMEMORATE SUN YAT-SEN BIRTH

OW131040 Beijing XINHUA in English 1031 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — A gathering of 10,000 people has been set for Beijing November 12 to commemorate te 120th birthday of Dr. Sun Yat-sen, leader of the 1911 Chinese Democratic Revolution.

In preparation for the event, organizers have invited relatives of Sun and his political suppoerters or their descendants in foreign countries as well as in Hong Kong and Macao.

Other commemorative activities include:

—An international symposium on Sun's life and work November 4 to 9 in Quangzhou. Participants will include more than 50 scholars from throughout the world.

—A special exhibition opening November 11 at the museum of Chinese Revolutionary History in Beijing.

—The unveiling of a statue of Sun November 12 in Beijing's Zhongshan Park.

Feature films, documentries and television programs on Sun will be shown throughout the country over the next month.

Commemorative activities have also been planned for China's major cities and embassies abroad.

CHINA PUBLISHES SUN YAT-SEN'S 'COMPLETE WORKS'

OW131054 Beijing XINHUA in English 1038 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) -- 11 volumes of the "Complete works of Dr. Sun Yat-sen" will be published by China's Zhonghua Book Company before November 12, the 120th anniversary of Dr. Sun's birth.

Li Kan, editor-in-chief of the company, said the publication of Dr. Sun's works not only reflects the respect the whole Chinese nation has for this great revolutionary forerunner, but will also help further research on his thinking and keep his rich spiritual legacy alive.

Li also said tens of books on Dr. Sun's selective [as received] works have been published in the past sixty years, but this is the first time his complete works have been printed. The new editions contain over 8,000 essays and other texts written by Dr. Sun in 12 volumes which include a one volume index. These works contain 2,000 more of Sun's works than the 1973 Taipei-published "complete works of the state father". The editor-in-chief says the new five-million-word publication is "the richest in contents and largest in scale."

Li noted, however, that some of Dr. Sun's manuscripts and letters are still held by individual collectors and libraries, which means the 12-volume publications is not entirely complete. He said research departments are now working on an addendum that would include even more of Dr. Sun's unpublished writings.

DENG XIAOPING INSCRIBES PHOTO ALBUM ON SUN YAT-SEN

OW101047 Beijing XINHUA in English 0840 GMT 10 Oct 86

[Text] Beijing, October 10 (XINHUA) -- A photo album on Dr. Sun Yat-sen, great forerunner of the Chinese Democratic Revolution, was published here recently by China historical materials press.

To commemorate the 120th birthday of Dr. Sun, and jointly compiled by the Research Committee of the Historical Accounts of Past Events under the Chinese People's Political Consultative Conference National Committee and the Museum of the Chinese Revolution, the album consists of more than 700 photos and sketches.

Dr. Sun Yat-sen was born on November 12, 1866 in Cuiheng village, Xiangshan County (now Zhongshan City), Guangdong Province, and died in Beijing on March 12, 1925.

Divided into seven parts, the photos illustrate Dr. Sun's deeds in various historical periods from 1866-1925, such as seeking knowledge and establishing ideals in his youth, devoting himself to revolution, overthrowing the Qing dynasty, founding the Republic of China, reorganizing the Kuomintang, and cooperating with the Communist Party.

Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, did the calligraphy for the album's cover: "Dr Sun Yat-sen: A Photo Album."

It was announced that more books on Dr Sun will also be published this month.

FANG YI ADDRESSES RARE-EARTH INDUSTRY MEETING

OW121334 Beijing Domestic Service in Mandarian 1200 GMT 9 Oct 86

[Text] Giving priority to developing those industries for which we have favorable conditions is one of the important principles for economic construction at present, said Fang Yi, member of the CPC Central Committee Political Bureau and state councillor, when addressing a national work conference on rare-earth industry, which concluded today. In developing China's rare-earth industry, he added, it is necessary to persist in displaying the spirit of reform and to turn as quickly as possible abundant resources into a favorable condition for developing this industry.

Comrade Fang Yi said: Our country is leading the world in applying rare earths to agriculture and light industries, including textile industry. However, we still have many weak areas if we compare what we have done with the ever-growing needs of the development of the national economy and national defense. He called on the comrades of all departments and in all localities engaged in the production and application of rare earths and doing research work on these materials to energetically work out a strategy for developing China's rare-earth industry based on both positive and negative experiences of other industries in our country. The purpose of this, he added, is to produce more economic and social benefits through the development of rare-earth industry.

In particular, Comrade Fang Yi mentioned the involvement of science and technology in developing this industry. He expressed the opinion that if China's strong points in this particular field of techology are to be maintained and developed, it is necessary to devote more efforts to basic theoretical research on the application of rare earths so as to understand more clearly the mechanisms of their reactions. In the development of rare-earth industry from now on, he pointed out, the solution to key problems in science and technology as well as the technological upgrading of existing enterprises should be emphasized so that scientific research results can be translated into a productive force as soon as possible.

PENG ZHEN, SONG JIAN ATTEND INVENTIONS EXHIBIT

OW121300 Beijing XINHUA in English 1116 GMT 12 Oct 86

[Text] Wuhan, October 12 (XINHUA) — A national inventions exhibition opened here today.

This is the second such exhibition in China. The party veteran, Peng Zhen, who is a member of the Political Bureau of the Central Committee of the Communist Party of China and chairman of the Standing Committee of the National People's Congress, made a special trip to the city to cut the ribbon for the exhibition.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, attended the opening ceremony.

President of the International Exhibition Inventions of Geneva Jean-Luc Vincent also attended the opening ceremony.

On display are 1,374 inventions from all parts of the country, covering such fields as machine-building, electronics, medicine, transportation, chemical engineering and environmental protection. Of these, 139 have been patented. The youngest inventor is only 10 years old.

The exhibition will last ten days.

PENG ZHEN'S DAUGHTER DENIES CORRUPTION RUMOR

HK120414 Hong Kong SUNDAY STANDARD in English 12 Oct 86 p 6

[Text] The daughter of a top Chinese leader denied on a recent visit to Hong Kong that her brother is in trouble with the authorities, sources told the SUNDAY STANDARD.

Miss Fu Yan, daughter of Mr Peng Zhen, who is the chairman of the Standing Committe of China's National People's Congress, was in Hong Kong last week on her way back to Chna after a business trip to Canada.

Miss Fu declined to meet the press during her stay in Hong Kong. Only a leftwing newspaper, the WEN WEI PO, managed to take a picture of Miss Fu and wrote a few lines about the purposes of her trip. Nothing sensitive was mentioned.

Miss Fu came into the spotlight early this year when a foreign wire service carried a report that she had sold 300,000 tonnes of coal below the official price to a foreign company in the middle of 1985. In return, she had allegedly accepted a bribe of U.S. $300,000.

Soon after the SUNDAY STANDARD broke the news in June that Miss Fu had been cleared of her involvement in corruption and had been permitted to go abroad, a Hong Kong magazine reported that it was her brother who was actually in trouble.

According to sources close to Miss Fu during her visit in Hong Kong, her trip to Canada was delayed for more than three months because her company had been waiting for a loan to be approved.

She categorically denied that her brother was involved in any corruption, sources said.

Sources said Miss Fu became very cautious and over-reacted a bit when she was asked agout malpractices and involvements in trade by the children of top Chinese leaders.

She also declined to answer questions about whether her father has any difference in views with top Chinese leader Deng Xiaoping. There have been press reports saying that Peng Zhen had adopted a more conservative attitude towards reform.

"We children of top Chinese leaders also have to work and there is nothing wrong in us operating a trading company," Miss Fu was quoted as saying.

She is the vice-president and general manager of China Fu Li Company, which deals with high-level import and export trading.

Sources said she regards her joining in business trading as a contribution to China's reforms and complained that she is much busier in her present job than she was in her previous post in a research institute.

While China is short of foreign exchange, Miss Fu was also quoted as saying that her company concentrates on import trading. She found it very difficult to expand export market for nearly all kinds of Chinese products, she explained.

XI ZHONGXUN AT CPPCC STANDING COMMITTEE SESSION

OW141437 Beijing XINHUA Domestic Service in Chinese 0712 GMT 13 Oct 86

[Text] Beijing, 13 Oct (XINHUA) — The Standing Committee of the 6th CPPCC National Committee started its 13th session in the CPPCC auditorium this morning.

According to the agenda, the current Standing Committee session will concentrate mainly on conveying, studying, and implementing the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, hearing a report on the preparation work for the activities to commemorate the 120th birth anniversary of Dr Sun Yat-sen and a report on the work of the CPPCC.

Vice Chairman Liu Lantao of the CPPCC National Committee presided over today's meeting. At the beginning of the meeting, all members rose to mourn with deep grief the death of Comrade Liu Bocheng, great proletarian revolutionary and military scientist who was deeply loved and respected by the whole party, the whole Army, and the people of all nationalities throughout the country for his tremendous contributions and high prestige. The meeting also honored the memories of Liu Ding, Lu Shijia, and Li Yu, members of the Standing Committee who passed away since the last session of the Standing Committee.

Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, entrusted by the CPC Central Committee, briefed the meeting on the 6th Session of the 12th CPC Central Committee and its guidelines. He also briefed the meeting on the current economic situation and economic work.

Lu Dingyi, Cheng Zihua, Kang Keqing, Qian Changzhao, Yang Chengwu, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Wang Guangying, Zhao Puchu, Qu Wu, Ma Wenrui, Mao Yisheng, Qian Xuesen, and Lei Jieqiong, vice chairman of the CPPCC National Committee, and 169 members of the Standing Committee attended the meeting.

FUJIAN'S CHEN GUANGYI ON STUDYING CPC RESOLUTION

OW150251 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 10 Oct 86

[Text] The enlarged meeting of the Fujian Provincial CPC Committee Standing Committee closed in Fuzhou after a 5-day session.

The meeting's central discussion topic was how to convey and implement the guidelines set forth by the 6th Plenary Session of the 12th CPC Central Committee.

When the meeting began, Chen Guangyi, secretary of the Fujian provincial party committee, conveyed the guidelines and gave a report. In accordance with a decision reached at a meeting of the Fujian provincial party committee Standing Committee, he presented the Standing Committee's opinions on conveying and implementing the guidelines of the 6th Plenary Session of the 12th CPC Central Committee.

At the session yesterday afternoon, Comrade Hu Ping gave an economic report. The report was studied and discussed in all groups today.

Addressing a meeting attended by (?the conveners of various groups) of organs under the provincial government last night, Comrade Chen Guangyi said: The resolution is a textbook on Marxism. Its substantial content covers a whole series of issues, including theoretical issues as well as general and specific policies, which must be studied repeatedly and thoroughly. In the course of study, we must uphold the four cardinal principles and adhere to the fundamental course of opening to the outside world and proceeding with our reforms. These two requirements, which serve to guide our course, are the essence of the resolution.

Comrade Chen Guangyi stressed that the resolution must be earnestly studied and implemented. He said: First of all, we should organize cadres at and above county-level units to study the resolution. In accordance with the principle that study should be conducted at various levels, special attention should also be directed toward organizing the vast number of party members and cadres to study the resolution. We should also investigate the situation of building a socialist spiritual civilization. First of all we should focus our attention on the work in this area done by various provincial, municipal, and prefectural departments. All localities should strive to do a good job in building a spiritual civilization according to their actual and special situation. All party members should pay special attention to building a spiritual civilization, and all localities, all departments, and all trades and professions must learn how to build a spiritual civilization.

Comrade Chen Guangyi pointed out: We are confronted with a great deal of work today. While we must study and implement the guidelines set forth by the 6th Plenary Session of the 12th CPC Central Committee, we must also continue to investigate how we have been implementing the policy of opening to the outside world and carrying out reforms; while we must do a good job in rectifying village-level party organizations, we must combat irregularities among party members; and while we must attend to industrial and agricultural production during the year's fourth quarter, we must also be well prepared for the work next year. As such, we must consider the resolution's guidelines as a driving force, brace ourselves, and work with concerted and continuous efforts in order to accomplish all the work that must be done.

For this reason, we must take the initiative, be creative and cooperative, and dare to compete.

FUZHOU GIVES BETTER TERMS TO FOREIGN INVESTORS

OW150810 Beijing XINHUA in English 0718 GMT 15 Oct 86

[Text] Fuzhou, October 14 (XINHUA) -- The city of Fuzhou has adopted a policy of "better terms, fewer charges, lower taxes and limited formalities" for enterprises with foreign investment, according to Mayor Hong Yongshi. Hong told representatives of the city's Sino-foreign joint ventures Monday the city will "fully implement" last week's moves by the State Council, China's highest governing body, to help export-oriented and technologically advanced enterprises with foreign investment. The new policies announced by Hong include rent reductions and elimination of extraneous charges, an end to local income tax and salary surcharges, easier access to raw materials and utilities, and permission for investors from Hong Kong, Macao and Taiwan to hire their relatives.

In addition, Hong said, the city will simplify its regulation of enterprises with foreign investment and create a special office to help foreign investors and ensure the new policies are followed. Fuzhou, one of 14 coastal cities open to foreign investment, has 155 Sino-foreign projects involving use of 130 million U.S. dollars in foreign investment.

NANJING CITY CORRECTS BAD PRACTICES IN TRADES

HK120714 Beijing RENMIN RIBAO in Chinese 7 Oct 86 p 1

[Report by Gong Yongquan (7895 3057 3123) and Shen Shuxun (3088 5289 6061): "Nanjing City Rectifies Unhealthy Trends in Trades"]

[Excerpt] After repeated deliberations and discussions, the Nanjing City CPC Committee of Jiangsu Province decided early this year to bring about a change in party conduct, business style, and the people's behavior, with stress on straightening out unhealthy trends in departments in charge of commerce, housing, markets, and public transport, so that the people can really feel a turn for the better in the general mood of society.

The Nanjing City CPC Committee has regarded changing the style of leading cadres in various trades and undertakings as a matter of great importance and has called on leading cadres to accomplish the following "four go's": Go to key trades and undertakings, go to where many difficulties have arisen, go to where there are complicated contradictions, and go to where they have not been for a long time. Leading cadres at the urban level should take the initiative in these "four go's." Public transport is a "long-standing, big, and difficult" problem to solve. Through conducting on-the-spot surveys on over a dozen occasions, the leaders of the city have worked out 10 measures for straightening out the city's public transport. [passage omitted]

JIANGXI ACTING GOVERNOR AT PLANNING MEETING

OW150237 Nanching Jiangxi Provincial Service in Mandarin 1100 GMT 14 Oct 86

[Text] The provincial Gan Jiang Valley Planning Committee recently held an enlarged meeting to hear a report on the Gan Jiang Valley planning work submitted by a department concerned. The meeting examined the results of the planning work and discussed questions concerning the comprehensive harnessing and rational utilization of Gan Jiang's water resources. Wu Guanzheng, deputy secretary of the provincial party committee and acting governor of Jiangxi, attended the meeting to hear the report.

GUANGDONG GOVERNOR SPEAKS ON CONSCRIPTION WORK

HK122348 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Oct 86

[Speech by Guangdong Governor Ye Xuanping; date, place not given — live or recorded]

[Excerpts] Citizens and compatriots in the province:

This year's conscription work will start soon. In accordance with the spirit of the order issued by State Council Premier Zhao Ziyang and Deng Xiaoping, chairman of the Military Commission of the CPC Central Committee, on 2 September, from 10 October, our province will recruit some men and women of the right age to join the PLA and the People's Armed Police Force. This is a prime issue for the province in implementing the PRC Military Service Law and strengthening the building of national defense.

Workers, peasants, businessmen, students, people from other circles, administrative organs, schools, mass organizations, enteprises, institutions, and units of central authorities and other provinces stationed in the province must act immediately, submit themselves to the needs of the motherland, earnestly fulfill this year's conscription task according to the Military Service Law, and make their contributions to the building of the great wall of steel. [passage omitted]

In the new situation, particularly in the situation of people living a better life, youths must carry forward the glorious tradition of patriotism of our predecessors, give no thought to personal interests, protect our motherland and defend our homes, actively answer the call of the motherland, eagerly apply to join the Army, conscientiously perform their glorious duties, and make their contributions to the modernization of the national defense.

Parents, particularly party members and state cadres, must educate their children, relatives, and friends to consider the overall situation and to submit themselves to the needs of the motherland. They must actively support their children of the right age to join the Army and encourage them to delightedly take up the glorious post of defending the motherland and to win honor for the motherland and render service to repay the kindness of the motherland with their practical action.

Citizens and compatriots, let us unite as one and exert our efforts under the guidance of the spirit of the 6th Plenary Session of the 12th CPC Central Committee and successfully fulfill this year's conscription task so as to make new contributions to strengthening national defense and safeguarding the four modernizations.

GUANGDONG PEOPLE FIGHT SERIOUS DROUGHT

HK120730 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0346 GMT 9 Oct 86

[Report: "More Than 3 Million People in Guangdong Are Fighting Drought" — ZHONGGUO XINWEN SHE Headline]

[Text] Guangzhou, 9 Oct (ZHONGGUO XINWEN SHE) — More than 3 million people in Guangdong's rural areas are involved daily in a strruggle against drought. The situation has improved somewhat in Zhaoqing, Huiyang, and Maoming Prefectures, which have been most seriously affected.

Since August this year, Guangdong has registered a much smaller amount of rainfall than in previous years. The situation in most rural areas has rarely been so bad for many years. The total area of farmland affected is about 14 million mu. Measures have been adopted in various parts of the province to fight drought. In Zhaoqing Prefecture in western Guangdong, more than 600,000 people are fighting drought by using pumps, buckets, waterwheels, and other tools. They have diverted water from rivers and built and reparied dykes and irrigation channels at more than 1,000 points. As a result of their efforts, the situation has improved somewhat. So far, 530,000 mu of affected late rice have been watered twice and chemical fetilizer has been applied to more than 1.1 million mu of late rice to boost the crop's final-stage growth.

The fall drought hitting Huiyang Prefecture this year is matched by only a few in the past in seriousness. About half of its late rice fields have been affected. In this prefecture, 880,000 people work to deal with the drought each day. By 7 October, the prefecture has built 2,237 kilometers of irrigation channels, drilled more than 14,000 wells, and dug more than, 1,000 ponds to irrigate 695,000 mu of late rice.

With water supplied from its medium and small reservoirs and ponds, Moaming Prefecture has been able to save the agricultural products growing on 180,000 mu of land.

HUBEI TO HOLD MEETING ON BUILDING TWO CIVILIZATIONS

HK140903 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Oct 86

[Excerpts] The provincial party committee recently decided to hold a representative meeting on the building of two civilizations in the rural areas early next year. The Propaganda Department and the Rural Work Department of the provincial party committee issued a circular on this.

The circular reads: Over the past few years, cadres and the masses in the province's rural areas have taken an active part in the activities of building civilized illages and households, resulting in the appearance of civilized villages and households which have achieved remarkable results in the building of the two civilizations, providing a good opportunity to study for rural areas and peasants, and promoting reforms and the building of the two civilizations in the rural areas.

The circular demands that all localities do a good job in selecting representatives through appraisal. Those that should be selected through appraisal are civilied villages and households that have ahered to coordinated development of the two civilizations and have achieved remarkable results in the building of material and spiritual civilization. In the meantime, town and township party committees that have done well in grasping both the material and spiritual civilizations and township enterprises and other units that have made great contributions to the development of agriculture in both material and spiritual civilizations should also be selected through appraisal. [passage omitted]

The circular urges the cadres and masses in the provinces's rural areas to take immediate action, firmly grasp the building of the two civilizations, particular the building of socialist spiritual civilizations, and take practical steps to greet the convening of the provincial meeting of advanced units and individuals in the building of two civilizations.

XIZANG PEOPLE'S CONGRESS MEETS 11 OCTOBER

HK140913 Lhasa Xizang Regional Service in Mandarin 1130 GMT 11 Oct 86

[Text] The 18th Session of the 5th Xizang Autonomous Regional People's Congress was held in Lhasa on the morning of 11 October. The meeting was presided over by Pagbalha Geleg Namgyai and Sengqen Lozong Gyaincain, vice chairmen of the regional People's Congress Standing Committee. Attending it were Cao Xu, Jangzhong Zhaxidoje and Samding Doje Pamo, vice chairmen of the regional People's Congress Standing Committee; and Gyibug Puncog Cedain, vice chairman of the regional people's government. Those who attended the meeting as observers included responsible persons of Lhasa City People's Congress Standing Committee, the People's Congress Liaison Offices in Shannan, Xigaze and Nagqu and the relevant departments and regions and Higher People's Court of the Region.

The main items on the agenda of the session are as follows: To study and sicuss the resolution of the 6th Plenary Session of the 12th CPC Central Committee, to convey the spirit of the 17th Session of the 6th NPC Standing Committee, to discuss arrangements for election of candidates for representatives of next tenure of the region's people's congresses at the county and township levels, and to discuss and approve appointments and removals of personnel.

XIZANG MILITARY DISTRICT STUDIES PARTY RESOLUTIONS

HK150719 Lhasa Xizang Regional Service in Mandarin 1130 GMT 12 Oct 86

[Excerpts] From 7 to 10 October, the Xizang Military District held an enlarged meeting of its party committee to convey and study the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee. Jiang Hongquan, Zhang Fengjiao, Yang Shixi, (Zhou Yangji), (Geng Quanli), and (Wang Shunhe), members of the Military District party committee Standing Committee attended the meeting.

At the meeting, Commander Jiang Hongquan, who is also an alternate ;member of the CPC Central Committee and deputy secretary of the Military District party committee, conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee. Participants in the meeting conscientiously studied the communique of the 6th Plenary Session of the 12th CPC Central Committee, the resolution on convocation of the 13th CPC Congress, the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilizaton, RENMIN RIBAO's editorial entitled: Attaching Primary Importance To Studying Well Documents, and Speeches -- On Study and Implementation of the Spirit of the 6th Plenary Session of the 12th CPC Central Committee made by Yang Shangkun, vice chairman of the Central Military Commission; and Yu Qiuli, director of the PLA General Political Department. [passage omitted]

Comrade Jiang Hongquan called on all PLA units of the Military District to pay attention to the following points: 1) They should study conscientiously the spirit of the 6th Plenary Session of the 12th CPC Central Committee and fully understand the importance of strengthening the building of socialist spiritual civilization. 2) They should discard old ideas and make clear the task of building socialist spiritual civilization. 3) They should work hard to implement the spirit of the sixth plenary session so as to fulfill tasks in different fields.

BEIJING HOLDS CONSCRIPTION WORK CONFERENCE

SK110546 Beijing BEIJING RIBAO in Chinese 5 Oct 86 p 1

[Excerpts] Beijing Municipality has begun this year's winter conscription work. Yesterday, the municipal government and the Beijing Garrison cosponsored a mobilization conference on conscription work, at which leading comrades, including Mayor Chen Xitong, gave speeches calling for conscientiously implementing the Military Service Law, strengthening leadership, setting strict demands on quality, fulfilling this winter's conscription task qualitatively and quantitatively, and providing qualified soldiers for the national defense modernization construction. [passage omitted]

In order to fulfill this winter's conscription task qualitatively and quantitatively, Beijing Municipality recently established a conscription work leading group with Mayor Chen Xitong as the leader and with Feng Mingwei, vice mayor; Li Jinmin, political commissar of the Beijing Garrison' and He Shangchun, deputy commander, as deputy leaders.

Yan Tongmao, deputy commander of the Beijing Military Region and commander of the Beijing Garrison, attended yesterday's mobilization conference. Chen Xitong gave a speech in which he emphatically pointed out: It is necessary to integrate conscription work with the wide publicity of the Military Service Law, publicize the status and role of the Army and the advanced deeds that have emerged in conscription work, and enhance the sense of national defense work of all the people and their sense of honor and responsibility in performing military service and dedicating themselves to national defense undertakings. Party committee and governments at all levels should consider conscription work as a major task. The principal leaders of various districts and counties should personally grasp the work, and mobilize the people at each level. All departments should strengthen leadership, make concerted efforts, enhance their sense of political responsibility, strictly control the quality of new recruits, provide youths who are truly politically, physically, and culturally sound for the Army, and support the building of the Army with actual deeds.

TIANJIN CIRCULATES FUNDS TO PROMOTE DEVELOPMENT

OW111103 Beijing XINHUA in English 0751 GMT 11 Oct 86

[Text] Tianjin, October 11 (XINHUA) — As of mid-September, Tianjin's financial institutiions had circulated 5.2 billion yuan into the local economy, "PEOPLE'S DAILY" reported today. This was the first time that this city's financial institutions have pooled their cash reserves to help invigorate the economy. In the past funds on deposit could not be circulated from one institution to another. A sum of 4.9 billion yuan was circulated among the banks and was available to be lent in the first eight months of this year.

The city and district financial departments and insurance companies account for the other 1.3 billion yuan in circulation. These institutions have turned their temporary idle funds into a trust fund to be circulated among enterprises which are upgrading their plants. The financial institutions are also pooling funds and issuing bonds. In the spring of this year, the bank of agriculture issued bonds totalling 30 million yuan among peasants and then loaned the money to rural enterprises to help solve their financial problems. The city's Bank of Industry and Commerce is issuing bonds worth 30 million yuan to urban citizens and enterprises.

HEILONGJIANG DEALS WITH SERIOUS ECONOMIC CRIMES

SK150637 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Oct 86

[Text] The procuratorial organs at all levels throughout the province with the close coordination of the departments concerned have dealt a blow to the arrogance of criminal elements by investigating and dealing with the serious economic crimes, resulting in an obvious decrease in crime.

Since the provincial on-the-spot meeting on dealing strict blows to serious economic crimes in August 1985, the procuratorial organs at all levels with the close coordination of the departments concerned have launched the struggle against serious economic crimes. Over the past year, the procuratorial organs in the province have accepted 5,201 cases and placed 3,283 cases on file for investigation and prosecution. Of the investigated and handled cases, 892 were of major and serious crimes, in which more than 25.6 million yuan of economic losses have been recovered. The number of cases handled and cases placed on file for investigation and prosecution and the volume of money recovered from the economic losses are the largest ever in the province's history.

Along with the party rectification drive, the procuratorial organs at all levels have also investigated and dealt with some cases of economic crimes committed by a number of party members while straightening out party style. At the same time, they have investigated and dealt with a number of cases that can exert potential influence. As of now, they have placed 180 exceptionally serious economic cases on file for investigation and prosecution, in which each embezzlement has reached more than 30,000 yuan, and have well investigated and dealt with them. They have also investigated and dealt with 28 cases of speculation and profiteering, and swindling. The Harbin City People's Procuratorate, along with the drive to consolidate various companies and stores, has investigated and dealt with the larger cases committed by the (Huaxia) Joint-Venture Company and the (Beifang Rizha) store with regard to the crimes of speculation and profiteering, and swindle. The economic losses in the case of the (Beifang Rizha) store alone reached more than 480 million yuan.

The provincial meeting of the procuratorial organs at all levels on exchanging the experience gained in dealing strict blows to serious economic crimes concluded in Harbin City on 14 October and urged the procuratorial offices at all levels to currently concentrate their effort on vigorously investigating and dealing with major and serious cases. Efforts should be made to discover more clues for solving cases and to be resolute in placing the cases on file for investigation and prosecution as soon as they have been discovered. By the end of 1986, the rate of arriving at a verdict of the major and serious cases will reach more than 70 percent. Meanwhile, efforts should be made to enhance guidance in line with the diversity of various cases and to improve the weak links. Their work emphasis should be placed on dealing with the cases of tax evasion and tax disobedience, group criminal cases on the construction front, and economic crimes committed by the units or communities.

GANSU MEETING CONVEYS 6TH PLENUM RESOLUTION

HK140923 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 11 Oct 86

[Text] This afternoon the provincial party committee held a meeting of responsible persons of the provincial CPPCC and democratic parties as well as public figures of all circles. Wang Bingxiang, chairman of the provincial CPPCC, conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee. Li Ziqi, secretary of the provincial party committee, presided over the meeting.

Wang Bingxiang said; The CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization has scientifically summed up the experiences of our socialist modernization in light of the basic tenets of Marxism and defined the strategic position, principles, and tasks of the building of socialist spiritual civilization in the entire course of socialist modernization. It is the outcome of revolutionary practice since the 3rd Plenary Session of the 11th CPC Central Committee.

Wang Bingxiang hoped that members of CPPCC at all levels, democratic parties, nonparty personages, and public figures from minority nationalities and from religious circles, in the spirit of treating each other with all sincerity and sharing weal or woe, will fully display their wisdom and ability in building the four modernizations and work hard with the people of the whole province to push the building of the two civilizations in our province to a new stage.

COMMISSION SETS DEMANDS ON QINGHAI'S INDUSTRY

HK120858 Xining Qinghai Provincial Service in Mandarin 2330 GMT 9 Oct 86

[Text] Last night, responsible comrades of the provincial Finance and Economic Commission, Planning Commission, and other relevant departments participated in a telephone meeting with the State Economic Commission on planning our province's industrial production, transport, and commodity circulation work in the fourth quarter of this year.

Lin Zongtang, vice chairman of the State Economic Commission, spoke at the meeting. He stressed some problems to which attention should be paid in industrial production and transport work in the fourth quarter of this year. He said: In the fourth quarter of this year, efforts must be concentrated on improving economic results and supply and marketing work. Enterprises, commerical departments, and supply and marketing departments at various levels must devote major efforts to sending more manufactured goods to the rural areas, opening up rural markets, and improving channels of commodity circulation. Units and individuals who are advanced in marketing work should be given material rewards and spiritual encouragement. The State Economic Commission requests that industrial enterprises firmly put an end to production of unmarketable products of inferior quality or reduce their output, and produce more readily marketable commodities. In his speech, Lin Zongtang once again emphasized the quality of products. He called on departments at various levels to pay high attention to the problems so that the quality of products in the fourth quarter of this year will be markedly improved.

'TEXT' OF PRESIDENT'S NATIONAL DAY MESSAGE

OW091441 Taipei CNA in English 1405 GMT 9 Oct 86

[Text] Taipei, Oct. 9 (CNA) — The people of the Republic of China are untiring, self-reliant warriors and indefatigable champions of their beliefs, President Chiang Ching-kuo said in his Double Ten National Day message. The Republic of China is always faithful as an ally, a model of success for the developing countries, and an uncompromising anti-communist fortress, he added. He urged the people of the Republic of China to join hands to serve the country with devotion.

The full text of his message follows:

My dear fellow countrymen: The Double Tenth, our glorious National Day, has created a new life for the Chinese nation and gathered a new force to turn a bright new page in history. All the Chinese people, inspired and encouraged by this happy day, have dedicated themselves in a continuous effort to the future of the nation, shining like the bright sun in the blue sky.

Seventy-five years ago, the success of the Wuhan Revolution brought into being the first democratic republic in Asia. It has changed China's status in the international society and thereby helped resphere the world situation. Dr Sun Yat-sen pointed out that the duty of the people of the Republic of China was to help promote world peace. He further explained that "the promotion of world peace was the very goal of the Republic of China, and that to proceed toward this goal would further consolidate the foundation of the republic." Based on this solemn declaration, we have adopted our basic stance in international affairs, actively promoted international justice and striven to safeguard world peace.

This 20th century has experienced two world wars and the spread of communism. The Republic of China has gone through many trials and tribulations; and even now our compatriots on the mainland still suffer from the tyranny and persecution of the Communist regime. But no matter how difficult the world situation is, we have always stood firm in the democratic camp. We are convinced that we can overcome adversities and win victory over the enemy if we consolidate the foundation of freedom and democracy. Thus, in accordance with the ideals of the Three Principles of the People we have devoted ourselves to the reconstruction and development on this bastion of national revival. The ultimate objective is the reunification of China on the basis of freedom and democracy and the establishment of a lasting peace in Asia and the world.

With solidarity, persistence and joint efforts of our compatriots at home and abroad, we have rebuilt, based on achievements of our national development, our self-confidence, and self-respect, and re-affirmed our positive self-evaluation. We have pledged and exerted ourselves to present a true picture, in the eyes of the world, of the Republic of China as having the following characteristics:

—We are untiring, self-reliant warriors. In spite of hardships and adversities, our people have been able to meet the challenge with perseverance and determination, to overcome difficulties, and to break through barriers. We realize that self-help is the only way to build up our strength. In this great mission of national salvation and development, we are all brave fighters.

— We are indefatigable champions of our beliefs. We are proud to inherit the benevolent tradition of Chinese culture. With this cultural heritage, we carry out faithfully and persistently the political ideal centered on that people's well-being and, out of this unswerving determination, adhere to the lofty goal of the Confucious' great commonwealth.

— The Republic of China has been faithful as an ally. We fulfill our obligations and claim our lawful rights in the light of equality, reciprocity and open-mindedness. We also uphold justice and respect treaties in a world full of disturbances. We honor our commitments and treasure all friendly relations as we make our contributions to the international society.

— The Republic of China is a model of success for the developing countries. We believe that the livelihood of the people is the pivot of history; the welfare of the people comes first in all cases. The interests of various sectors of the society are to be reconciled on the basis of mild, rational, and gradual reforms. We have successfully built a happy, secure, and prosperous society, advancing from an underdeveloped country to a newly industrialized one, providing services to other developing countries and serving as a model from them to follow.

— The Republic of China is an uncompromising anti-communist fortress. We have suffered the most from the communists and know only too well the evils that poisonous communism can bring to mankind and the threat of communist expansion to world peace. Our anti-communist history is written in blood and tears. We wish to tell the world that freedom and democracy can never co-exist with communist totalitarianism. For the future of China and the world, we shall uphold our anti-communist position until final victory over communism is now.

Our late President Chiang Kai-shek said, "The rise of a nation depends on unity and solidarity. Whether a country is strong or not depends on the joint efforts of its citizens." My dear fellow countrymen, we are the people of this lovely country. Let us all stand at attention to salute our country and join hands to serve it with devotion. Now, let us all call out together:

"Long live the Three Principles of the People!"

"Long live the Republic of China!"

Hong Kong

'EXCERPTS' OF HOWE'S 12 OCT NEWS CONFERENCE

HK130246 Hong Kong HONGKONG STANDARD in English 13 Oct 86 p 4

["Excerpts" of 12 October news conference held by UK Foreign Secretary Sir Geoffrey Howe; questioners not identified -- capitalized passages denote questions published in boldface]

[Text] IN VIEW OF THE COLONIAL GOVERNMENT'S BLATANT DISREGARD FOR PUBLIC OPINION ON THE DAYA BAY NUCLEAR POWER PLANT ISSUE, AND ITS OBVIOUS RELUCTANCE TO PLAY AN ACTIVE, IF NOT LEADING, ROLE IN UPCOMING CONSTITUTIONAL REFORMS, HOW DO YOU THINK THE HONG KONG GOVERNMENT CAN SALVAGE ITS DISCREDITED IMAGE AND REGAIN THE CONFIDENCE OF THE PEOPLE?

I think that there are three premises to that question, each of which is not acceptable. I think it is important to make it plain the Hong Kong Government will continue to take full account of the views of the local people. That has been reaffirmed and confirmed in the statement issued after the talks between representatives of the Hong Kong Government and the Prime Minister and others in Downing Street last month. The British Government and the Hong Kong Government alike will continue to take full account of the views of the Hong Kong people not only when drawing conclusions from the review but in other matters as well.

IS IT TRUE THAT THE CHINESE GOVERNMENT HAS EXPRESSED TO UK THROUGH VARIOUS CHANNELS THAT IT WOULDN'T WANT TO SEE DIRECT ELECTIONS IN HONG KONG IN 1988?

Again, as you know, I don't, nor can anyone else, comment on the views attributed to other people in newspapers. The review which will be completed next year is taking place, as I said in my statement, fully, genuinely and giving an opportunity for full account to be taken of the views of people in Hong Kong and it is at the conclusion of the review that we shall reach the time for taking decisions about it.

HOW CAN WE BE ASSURED THAT THE PUBLIC OPINION YOU COLLECT THROUGH THE GREEN PAPER ON POLITICAL REFORM IS GENUINE?

Because the assessment of that public opinion will take account of all the many ways in which it is expressed, including the expressions of opinion by Legco [Legislative Council] members and that has been the position in the past and it is important that it remains so in the future.

ON THE QUESTION OF CONVERGENCE IN HONG KONG, HOW CAN YOU ENSURE THAT IT CAN BE ACHIEVED?

Convergence is only one of many words in which you can express part of the process designed to achieve a smooth transfer of government in 1997, and many people are working in the different ways to ensure that that is achieved: the Joint Liaison Group [JLG]; the Basic Law Drafting Committee; contacts between governments, at different times and at different levels -- all these ways are important.

BUT THE QUESTION IS WHETHER THE LIAISON BETWEEN THE TWO SIDES ARE ENOUGH AT THIS STAGE NOW?

I am sure that there is very close, continuing and substantial liaison taking place in the ways that I've described. I think it is important that should continue. That is the impression that one has formed from the agreement so far reached.

IS IT THE POSITION OF THE BRITISH GOVERNMENT THAT SHOULD THERE BE PUBLIC SUPPORT FOR DIRECT ELECTIONS IN 1988, HONG KONG CAN HAVE DIRECT ELECTIONS, AND IS THE BRITISH GOVERNMENT PREPARED FOR THE EVENTUALITY THAT PUBLIC OPINION AND BEIJING'S WISHES MAY NOT CONVERGE ON THE MATTER OF DIRECT ELECTIONS IN 1988?

Well, we shall have to wait and see the outcome of the consultation that is taking place and other developments which will take place during that time. There is a whole range of contacts and consultations taking place. As I say, it is important for Britain and China to be alive at all times, not only to the concerns and views of each other, but also to the views expressed by the Hong Kong people.

STILL ON THE POINT OF CONVERGENCE. YOU JUST MENTIONED THERE ARE LOTS OF LIAISON CHANNELS SUCH AS JLG AND INFORMAL CONTACT BETWEEN GOVERNMENTS. BUT ALL THESE CHANNELS ARE NOT OPEN TO THE PUBLIC. HOW CAN WE ENSURE THAT OUR VIEWS ARE REALLY REFLECTED BY THE BRITISH AND HONG KONG GOVERNMENTS?

I think the best assurance you can have is the extent to which both the Hong Kong Government and UK have throughout paid the closest attention to the views of the people and the fact that those views have been firmly, faithfully and fully expressed by Exco [Executive Council] and Legco members. It's part of their job and it is a part which they perform very well.

I WOULD LIKE TO ASK WHETHER UK HAS DECIDED ON THE WAYS TO ASSESS PUBLIC OPINIONS AFTER THE 1987 REVIEW IS PUBLISHED?

That review is essentially a review being undertaken by the Hong Kong Government, and, in the course of it, every way in which opinion is expressed is being taken into account. It's not for me to anticipate the way in which that review will be brought to a conclusion.

JUST NOW, YOU SAID THE HONG KONG GOVERNMENT WOULD PAY ATTENTION TO LOCAL VIEWS AND WOULD LISTEN TO EXCO AND LEGCO, AND EARLIER THE EXCO MEMBERS VISITED BRITAIN, AND FROM WHAT THEY SAID, DO YOU UNDERSTAND WHAT IS THE VIEW OF LOCAL PEOPLE ON DIRECT ELECTIONS?

What I think is clear is that, on the question of direct election -- whether, when, and to what extent, all the many aspects of it -- there is a wide variety of views being expressed in Hong Kong, from every point of the spectrum and it would be quite wrong for me now to attempt to reach a conclusion on the subject which is the very subject of that review.

ON THE QUESTION ON LIAISON YOU MENTIONED THAT THERE ARE MANY CHANNELS THROUGH WHICH, FOR EXAMPLE, THE EXECUTIVE COUNCIL, THROUGH WHICH YOU UNDERSTAND YOU CAN TAKE HONG KONG PEPOLE'S OPINION INTO ACCOUNT. OUR CONCERN IS -- SINCE THESE ARE CLOSE DOOR MEETINGS -- HOW CAN WE BE ASSURED THAT THE VIEWS REFLECTED ARE INDEED THE VIEWS OF THE PEOPLE, ESPECIALLY WHERE THE PEOPLE'S OPINION MAY NOT CONVERGE WITH BEIJING'S WISHES?

The assessment of the people's opinion, like the assessment of opinion on so many questions, is something which takes place not only through different liaison channels but in part in public and in part in confidential deliberations, that is a necessary part of the working of any body like Exco. But the discussion of it in Legco, for example, is not behind close doors. Discussions of it in the Hong Kong press is anything but behind close doors.

All those manifestations of Hong Kong opinions are fully taken into account, both by the local Government and of course by UK as well. I can't do more than explain the process, but I can assure you the importance we attach to that process.

WHAT ROLES AND RESPONSIBILITIES UK PLAY DURING THE TRANSITION PERIOD?

The role and responsibility of the UK Government during the time between the signing of the Joint Declaration and 1997 is set out in the declaration itself. We retain full responsibility for the administration of Hong Kong until 1997 and of course are playing a full part in the various agencies and contacts I've described, to discuss and provide for the transfer of government in 1997.

AS WE KNOW, THE BASIC LAW IS DUE TO BE PROMULGATED IN 1990S AND WILL SHAPE OUR FUTURE DEVELOPMENT. SO WILL THE ROLE PLAYED BY THE UK GOVERNMENT DIMINISH IN THE RUN-UP TO 1997 AND WHAT WILL BE THE MAJOR TASK OF UK BY THEN?

Well, you're quite right that the process that is taking place between now and 1997, following on the agreement contained in the Joint Declaration, does include the very important work of the Basic Law Drafting Committee. It includes the continuing work of the JLG up to 1997 and thereafter to the year 2000.

It includes the continued responsibility of the British and the Hong Kong governments for administrating Hong Kong until 1997. We shall be continuing to play our full part and discharge our full responsibility in all those ways.

ON DIRECT ELECTIONS, HAS THE CHINESE GOVERNMENT MADE IT CLEAR TO UK THAT IT DISAPPROVES OF DIRECT ELECTIONS.

It's not for me to comment on the views of the Chinese Government and it would not be right to draw the conclusion implied in your question.

THE CHINESE GOVERNMENT CAN VETO DIRECT ELECTIONS THROUGH THE BASIC LAW. HAS UK GOT THE OPPORTUNITY TO VETO DIRECT ELECTIONS EVEN THOUGH THE HONG KONG PEOPLE MAY SAY THEY WANT THEM?

There are two processes taking place currently -- one the conduct of the 1987 review, the other the preparation within the ambit of the Basic Law Drafting Committee. That incidentally, of course is concerned with a rather longer time scale because the Basic Law comes into effect in 1997. In both those processes, as I've said several times, it is obviously right and sensible for UK and China to be alive to the concerns and views of each other; equally sensible for them to be alive to the views expressed by the local people.

SIR GEOFFREY, CAN YOU SAY MORE DEFINITELY HOW IS THE BRITISH GOVERNMENT GOING TO ASSESS THE PUBLIC OPINION IN HONG KONG, AND IF THERE ARE DIVERGENT VIEWPOINTS, HOW ARE WE GOING TO FIND THE MUTUAL POINT? SECONDLY, IN MAKING DECISIONS, WILL HER MAJESTY'S GOVERNMENT BE INFLUENCED BY THE VIEWPOINT EXPRESSED BY THE CHINESE GOVERNMENT?

I think that we have reached the point when it is not possible to add anything fresh to what has been said already. The expressions of opinion by the people of Hong Kong will be made and reflected, as I have described, through the Press, through the members of Exco, through members of Legco. They will be assessed by the Hong Kong Government at the end.... In the two stages I've described -- the Green Paper and then the White Paper.

In that as in other respects, Her Majesty's Government and the Chinese Government will be alive to the concerns and views of the other -- it would be quite foolish if we were not -- but also to the views expressed by the people of Hong Kong.

SIR GEOFFREY, ACCORDING TO YOUR UNDERSTANDING ABOUT HONG KONG, DO YOU THINK HONG KONG IS SUITABLE TO HAVE DIRECT ELECTION?

Well, that is one of the questions which is under consideration in the review. And I'm not going at this stage to inject my opinion into the discussion about which such widely differing views are held in Hong Kong.

I WOULD LIKE TO ASK ABOUT WHAT YOU SAID JUST NOW, AND THAT IS THERE ARE DIVERGENT VIEWS ON DIRECT ELECTIONS IN HONG KONG AND YOU HEAR ALL THESE VIEWS. WOULD YOU THEN TAKE THE MAJORITY VIEW OR WOULD YOU ONLY ADOPT THE IMPORTANT VIEWS?

I don't think anyone can begin to offer opinions as to which view is important, whose view is important. I think one has to take account of all the views. What is clear at the moment is that there is wide diversity of opinion. It is not clear, I think, how opinion will move as that debate continues in the months ahead. It would be influenced by many factors, and it is not for me now to say how the outcome will be determined. That is for those conducting the reviews.

SIR GEOFFREY, NOW THAT HONG KONG IS IN THE TRANSITIONAL PERIOD, AND THERE IS THE DAYA BAY AFFAIR, HOW CAN YOU ASSESS THE IMPACT OF THIS ON HONG KONG? DO YOU THINK THIS INCIDENT IS A BLOW TO PUBLIC OPINION IN HONG KONG? AND THE SECOND QUESTION IS, DO YOU THINK THIS WOULD AFFECT THE BRITISH OR THE CHINESE GOVERNMENT'S STAND ON THE PACE OF INTRODUCING DIRECT ELECTIONS BECAUSE MANY LEGCO COUNCILLORS THINK THAT LEGCO WAS UNABLE TO REFLECT PUBLIC OPINION AND THEY THEREFORE ASKED THAT THERE SHOULD BE DIRECT ELECTIONS IN HONG KONG. BUT OTHERS SAY THAT THE INDIRECTLY-ELECTED LEGCO MEMBERS HAD SAID TOO MUCH AND THERE SHOULD BE A SLOWER PACE AS FAR AS DIRECT ELECTION IS CONCERNED. WHAT ARE YOUR VIEWS ON THIS ISSUE?

On the last question, again it's not for me to express my view. You very interestingly summarised the two views that are expressed in Hong Kong -- some people saying that the particular lessons which may or may not be drawn from the Daya Bay project point in the direction of moving more and more quickly in the direction of direct elections and other people saying exactly the opposite. That merely underlines the point that I've been making, that there is today a divergence of views about it.

I think that the handling of the Daya Bay project itself does demonstrate the extent to which not only the Hong Kong Government but members of both Exco and Legco have taken very serious notice of the concern expressed in Hong Kong about the importance of safety aspects of the Daya Bay project. It's quite right that those concerns should be taken into account and expressed very plainly. They were expressed very plainly to use in London by members of Exco when they came there.

And the Prime Minister was able to assure members of Exco that we were fully aware of our responsibilities for the welfare and well-being of the people of Hong Kong, that we have expressed our concern to the Chinese Government on more than one occasion and that we were confident, in light of those representations, that every effort will be made to ensure that the construction, operation, and management of the Daya Bay plant will be carried out to the highest possible safety standards.

So I think the lessons to be learned from the handling of Daya Bay, are that the existing machinery has been fully and rightly used to express and take account of the concerns of the people of Hong Kong on that subject.

ANTINUCLEAR PROTEST DURING QUEEN'S VISIT CANCELED

HK120246 Hong Kong SUNDAY MORNING POST in English 12 Oct 86 pp 1, 2

[Excerpt] A proposed campaign by Hong Kong anti-nuclear protestors during the visit of Queen Elizabeth was last night cancelled.

Anti-Daya Bay lobbyists called off the proposed disrupting rally only five hours before the Queen was due to board a VIP aircraft in London for Beijing.

"We will not be protesting during the China-Hong Kong Royal visit," Joint Conference on the Shelving of the Daya Bay Nuclear Plant spokesman, the Rev Fung Chi-wood, said.

"We feel, after a joint conference, that our proposed measures would not be effective."

The campaign was gearing up to be the only sour note in what is otherwise expected to be a triumphant sweep through China and Hong Kong by the Queen, Prince Philip and British Foreign Secretary, Sir Geoffrey Howe.

It was expected to be pushed ahead at all costs by the powerful anti-Daya Bay lobby, which has considered the royal visit to be the ideal opportunity for maximum publicity.

Last Sunday, more than 1,000 people attended a mass rally organised by the group at Morse Park in Wong Tai Sin to protest against the proposed construction of the nuclear power plant.

Mr Fung said proposed action had included deluging the Queen with anti-Daya Bay petitions, blacking out Hong Kong in "minutes of darkness," by calling on residents to switch off their lights at night and hanging protest flags from buildings along the route of the royal entourage.

The Queen left London as scheduled at 1 am Hong Kong time today, the first British Monarch who will ever set foot in China. She has only ever visited one other communist country -- Yugoslavia. [passage omitted]

LEGISLATIVE COUNCIL TO CONCENTRATE ON DAYA BAY

HK150229 Hong Kong SOUTH CHINA MORNING POST in English 15 Oct 86 p 1

[By Michael Chugani]

[Excerpts] Virtually all government business, including new legislation to have been raised at today's Legislative Council [Legco] meeting, has now been postponed to give councillors more time to debate the Daya Bay issue.

And last week's proposal to limit all speakers to five minutes has been dropped, though councillors will be urged to keep their speeches short to give everyone who wishes a chance to speak.

The Financial Secretary, Mr Piers Jacobs, will present a lengthy statement for the Government in which he will reject demands to release the confidential Lazard Brothers report on the economics of the Daya Bay plant.

Mr Jacobs is expected to justify keeping the report secret on the grounds it would be unfair to the parties involved to release the commercial secrets it contains which were obtained in good faith.

But he is expected to meet other demands to provide more information on the safety and pricing aspects of Daya Bay.

The Governor, Sir Edward Youde, has withdrawn from a major dinner function arranged months ago at which he was to have been the guest of honour, so he can stay throughout today's debate. [passage omitted]

The Daya Bay motion for today reads:

"That this council requests the Government to provide details of the arrangements regarding and tariffs for the purchase of electricity from the Daya Bay nuclear power plant together with such supportive documents as do not breach commercial confidentiality and to explain whether or not such arrangements will sufficiently safeguard the long-term interests of Hong Kong people."

Appointed and elected members are understood to have already decided to support the motion which means it will be unanimously passed unless there is a last-minute revolt.

It seems certain that the Government members of Legco will cast affirmative votes alongside with the appointed and elected members even though the Daya Bay motion is being tabled by the appointed and elected members.

"I don't think the Government is uncomfortable with the wording of the motion," one senior administration official said.

He added that although there had been no directive from the Chief Secretary for civil service members of Legco to vote one way or another, "the official members usually know where to take their cue."

If passed, the Government is then legaly bound to provide information as demanded by the legislature. [passage omitted]

It is understood Mr Jacbos has prepared a 20-page speech containing safety and tariff information on Daya Bay which he will deliver at today's debate.

Sources said Mr Jacobs, who is expected to face pressure by opponents of Daya Bay to release the Lazard Brothers report, will detail the Government's position on the points raised in a nuclear safety report produced by councillors.

The report called on the Government to draw up a contingency plan to protect the public and food and water supplies in case of a nuclear accident.

It also calls on the Government to arrange an agreement with China to enable Hong Kong to monitor radioactivity at Daya Bay, to set up an independent advisory committee on nuclear energy, and to strengthen its public information program on nuclear energy.

While Mr Jacobs is expected to go a long way towards accepting safety proposals, he will stress that the Daya Bay plant is being built on Chinese territory by China.

Sources said he would speak at length on the electricity charges the Hong Kong public would face in using power from Daya Bay.

He will point out that while the power companies in Hong Kong have a Government-imposed scheme of control to prevent them from making excessive profits at the expense of the consumers, the Daya Bay plant is outside Hong Kong jurisdiction.

But Mr Jacobs will explain that profit controls can still be imposed in a different way because the Daya Bay power will still have to be transmitted to Hong Kong before it is distributed to consumers by China Light.

TAIWAN-PRC COMMERCIAL LINK BOOSTS RE-EXPORTS

HK140543 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 14 Oct 86 p 1

[By Tony Ngan]

[Text] Hong Kong has established its position as the de facto commercial link between Taiwan and China, following the repeated political rejection of concilliatory offers from communist China to set up direct commercial, postal and communications channels.

Trade statistics from Census and Statistics on Hong Kong's re-exports linking the two markets have shown marked increase in bi-directional trade in recent years.

This is regardless of Taiwan's political stand and China's foreign exchange restrictions.

Re-exports of Chinese goods through Hong Kong to Taiwan rose 43 percent from $698.3 million 1983 to $998.7 million in 1984.

While the 1985 figure showed a fall of 9.5 percent to $904 million, it was against a backdrop of an 11 percent decrease in Hong Kong's total re-exports to Taiwan from all countries of origin (from $4.86 billion in 1984 to $4.32 billion in 1985).

Figures for the period January to July this year promise renewed growth.

Chinese goods worth $650.6 million were re-exported to Taiwan in the January to July period, averaging nearly $93 million a month.

If the remaining five months show a similar performance, the total this year would come to $1.1 billion — another 23 percent rise.

Statistics of the principal commodities imported by Taiwan, with China as one of the leading countries of origin, included crude vegetable materials, medicine and pharmaceutical products.

In the other direction, China imported Taiwanese goods through Hong Kong to the value of $1.23 billion in 1983, $3.33 billion in 1984 (up 170 percent), and $7.7 billion in 1985 (up 131 percent), with growth about to level off this year.

In the period January to July, Hong Kong's re-exports of Taiwanese goods to China amounted to $4.82 billion, about $688 million a month, equivalent to $8.26 billion in the full year. Should this be achieved, the growth rate would be only 7 percent.

This sharp fall in growth is apparently the outcome of China's current policy of conserving foreign currency reserves, as shown by figures of Hong Kong's total re-exports to China from all countries of origin.

These showed the amount in 1983 was $12.18 billion, $28.06 billion in 1984 (up 130 percent), $46.02 billion in 1985 (up 64 percent), and $28.57 billion in the first seven months of 1986.

The projected annual total of China's import of Hong Kong's re-exported goods from all countries at $49 billion would represent only a 6 percent growth, against a projected 7 percent growth rate of imports of Taiwanese goods.

Taiwanese goods bought by China included yarns and fabrics, and specialised machinery for particular industries as well as spare parts.

As the re-export figures are in Hong Kong dollars which is linked to the sinking U.S. currency, and the renminbi has depreciated a few times in recent months, the above figures should be set against the strengthening Taiwan currency.

For Hong Kong's re-exports to China, Taiwan goods were second only to Japanese products which amounted to $3.39 billion in 1983 (against $1.23 billion from Taiwan), $9.48 billion in 1984 ($3.3 billion from Taiwan), and $14.54 billion in 1985 ($7.7 billion from Taiwan).

In the case of re-exports to Taiwan, however, Chinese products were even ahead of Japanese goods which amounted to $564.4 million in 1983 against Chinese goods at $698.3 million $818.1 million in 1984 (Chinese goods: $998.7 million), and $645.3 million in 1985 (Chinese: $904 million).

U.S. goods re-exported to Taiwan topped the list at $655.6 million in 1983, $1.08 billion in 1984, and $801.3 million in 1985.

Low oil prices and cheaper commodity imports including those from China, as the Taiwan currency continues to appreciate rapidly against the U.S. dollar and other currencies, are expected to keep Taiwanese goods competitive in world markets, and to strengthen its trading prosition.

Taiwan has projected a trade surplus of U.S. $15 billion this year. The surplus with the U.S. alone is expected to reach U.S. $13 billion.